



**PUNCAK NIAGA HOLDINGS BERHAD**  
[199701000591 (416087-U)]



# **Resilient United and Unwavering**

**ANNUAL REPORT 2022**





## RESILIENT UNITED AND UNWAVERING

As we celebrate 25 years of **PUNCAK NIAGA's** growth as a corporation that grew in size as a reputable Group with diverse business segments despite the challenges faced, **RESILIENCE** remains as a core trait of **PUNCAK NIAGA GROUP's Corporate DNA** - it defines who we are and what we intend to achieve in the long term as we uphold our **PUNCAK Values**, remain steadfast and continue to carve new milestones in our corporate journey.

We also acknowledge the resilience, dedication and steadfast commitment of our people, **TEAM PUNCAK NIAGA**, who have contributed to our success stories over the years.

**PUNCAK NIAGA** will continue to create sustainable long term returns and value creation within our business segments. Together with **TEAM PUNCAK NIAGA**, we remain resilient, united and unwavering to rise above the challenges ahead to achieve our Vision, Mission, Goals and Purpose.

1997 - 2003

20 Feb

Puncak Niaga received the Asiamoney Corporate Governance Poll 2002 Award for 'Best Corporate Governance Standards in the Utilities Sector in Malaysia'.

10 Nov

Puncak Niaga was awarded the Anugerah Citra Laporan Tahunan 2001 by Dewan Bahasa dan Pustaka.



6 Nov

Puncak Niaga was awarded the NACRA 2001 Industry Excellence Award under the 'Construction & Infrastructure Project Companies' category.

8 July

Puncak Niaga's listing on the Main Board of the KLSE (now known as Main Market of Bursa Malaysia Securities Berhad effective 3 August 2009) and launching of Puncak Niaga's Homepage.

1997

2003

2002

2001

2000

1999

From

26 Mar

Puncak Niaga Group's Executive Chairman, YBhg Tan Sri Rozali bin Ismail was awarded the Asia Water Management Excellence Award 2002 under the Individual Award Category.

12 Oct

Puncak Niaga won the KLSE Corporate Excellence Award 2000 for Main Board Companies and the KLSE Corporate Sectoral Award 2000 for Main Board Infrastructure Project Companies.

4 Jan

Puncak Niaga was included in the KLSE Composite Index (now known as FTSE Bursa Malaysia Kuala Lumpur Composite Index).

31 Oct

Puncak Niaga was awarded the NACRA 2002 Industry Excellence Award under the 'Construction & Infrastructure Project Companies' category.



8 Nov

Puncak Niaga was honoured with the NACRA 2000 Industry Excellence Award for the 'Construction & Infrastructure Project Companies' category.





## ENVIRONMENTAL ENGINEERING AND CONSTRUCTION

The Kuantan Sewerage Project aims to increase the coverage ratio of the sewerage services and improve the surrounding environment, including reducing sources of pollution and producing high-quality effluent, which in turn will improve the water quality of rivers



## PLANTATION

In FY2022, the Plantation segment produced 47,496 metric tonnes of fresh fruit bunches ("FFB")



## CONCESSION AND FACILITIES MANAGEMENT

Operated by TRIpIc Berhad Group ("TRIpIc"), our Concession and Facilities Management Division is currently fulfilling two separate concession agreements associated with Universiti Teknologi MARA ("UTM")





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# PUNCAK NIAGA'S JOURNEY

21 Jul

Puncak Niaga was awarded at the Asia Responsible Enterprise Awards ("AREA") 2022 - Corporate Governance Category.

18 Jul

Puncak Niaga was awarded the Gold Award for the fourth consecutive year at the 2022 Australasian Reporting Awards ("ARA") in Australia.



2 Aug

Puncak Niaga was awarded the MSWG ASEAN Corporate Governance Award 2020 - Excellence Award for CG Disclosure (Market Cap Below RM100 Million).



24 Jun

Puncak Niaga was awarded the Gold Award for the second consecutive year at the 2020 Australasian Reporting Awards ("ARA") in Australia.

6 Sep

Puncak Niaga was awarded The Asia Pacific Entrepreneurship Awards 2019 - Corporate Excellence Category by Enterprise Asia.

20 Nov

Puncak Niaga was awarded the "Best Brands In Services: Integrated Water, Wastewater and Environmental Solutions" by the BrandLaureate in Hanoi, Vietnam.

31 May

Puncak Niaga completed the acquisition of the entire issued share capital of TRIplc Berhad.

2022

2021

2020

2019

2018

25 July

Our Executive Chairman received the Entrepreneur of the Year Award at the 13th Asia Pacific Enterprise Awards ("APEA") 2022 Malaysia.



30 June

Puncak Niaga was awarded the Gold Award for the third consecutive year at the 2021 Australasian Reporting Awards ("ARA") in Australia.



Puncak Niaga was awarded The Green Era Award for Sustainability by Association Otherways Management & Consulting, France ("OMAC") in Lisbon, Portugal.

21 Mar

Puncak Niaga was awarded the IFN Awards Deals of the Year 2018 - Corporate Finance Deal of the Year by the Islamic Finance News for Puncak Niaga's RM210.00 million acquisition of TRIplc's entire issued share capital from Pimpinan Ehsan Berhad.

24 Apr

Puncak Niaga was awarded the Malaysia Best Employer Brand Awards 2019 by the World HRD Congress.

19 Jun

Puncak Niaga was awarded the 2019 Australasian Reporting Awards - Gold Award and 2019 Australasian Reporting Awards - Finalist Best First Time Entry by the Australasian Reporting Awards ("ARA") in Melbourne, Australia.

2 July

Puncak Niaga was awarded the Graduate Choice Award ("GCA") - 2021/2022 Most Preferred Graduate Employer.



## 2004 - 2008



**1 Jan**

Commencement of operations of SYABAS at SYABAS's Headquarters.

**30 Mar**

Handover Ceremony of Sg Sireh WTP from Kumpulan Perangsang Selangor Berhad to PNSB.

**2008**

**2007**

**2006**

**2005**

**2004**

**19 Nov**

Puncak Niaga was awarded the NACRA 2008 Industry Excellence Award for Main Board Construction & Infrastructure Project Companies category.

**16 Oct**

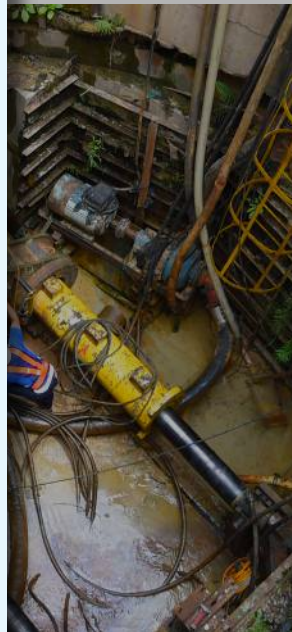
Puncak Niaga announced a capital repayment of up to RM767.84 million via a cash distribution to reward its shareholders.

**15 Dec**

Signing of the Concession Agreement for the Privatisation of Water Supply Distribution in Selangor and the Federal Territories of Kuala Lumpur and Putrajaya between SYABAS, the Federal Government and the Selangor State Government.

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**2 July**

Puncak Niaga was awarded the Graduate Choice Award ("GCA") - 2021/2022 Most Preferred Graduate Employer.



## 2009 - 2022

**25 July**

Puncak Niaga was awarded the Diamond Eye Award for Quality Commitment and Excellence and T.Q.C.S. - Total Quality Management Aptitude Seal for High Quality Performance & Best Customers Satisfaction by the Association Otherways Management & Consultation, France.

**15 May**

Puncak Niaga was awarded the Bizz 2016 -World Business Leader Award and the Bizz 2016 -The Recognition of Inspirational Company at the World Confederation of Business.

**23 Apr**

Puncak Niaga was awarded the Global Leadership Awards 2016 Leadership Excellence in Utilities at the Leaders International & American Leadership Development Association ("ALDA").

**26 Nov**

Puncak Niaga was awarded the 'Industry Excellence Award for Construction & Infrastructure Project Companies' by the National Annual Corporate Report Awards ("NACRA") for the Annual Report 2014.

**18 Oct**

Puncak Niaga was awarded the World Business Leader, 'The Bizz 2015 Award' at the Bizz Arabic 2015 in Muscat, Oman.

**19 - 22 Oct**

Puncak Niaga and the Malaysian Armed Forces were jointly awarded a Gold Award at the SGA Kaizen Competition Stream, International Conference on Quality 2014 held in Tokyo, Japan for the invention of a portable water purification system.

**23 Jan**

Puncak Niaga was awarded the Best-Equity Linked Deal Of The Year in Southeast Asia Award for Puncak Niaga's RM165.0 million Nominal Value Redeemable Convertible Secured Sukuk Ijarah at the 7th Annual Alpha Southeast Asia Deal & Solution Awards 2013.

**27 Oct**

Puncak Niaga was awarded the Socrates International Award in Oxford, United Kingdom.



**23 Feb**

Puncak Niaga Group's Executive Chairman, YBhg Tan Sri Rozali bin Ismail was awarded the 1st Malaysia Achievement Awards 2012 Special Individual Achievement Category.

**8 Nov**

Puncak Niaga was the Winner for Integrated Reporting in an Annual Report for ACCA Malaysia Sustainability Reporting Awards ("MaSRA") 2010.

**2017**

**2016**

**2015**

**2014**

**2013**

**2012**

**2011**

**2010**

**2009**

**3 Jul**

Puncak Niaga completed the acquisition of Danum Sinar Sdn Bhd by Danau Semesta Sdn Bhd.

**27 Jul**

Puncak Niaga was awarded the Bizz Award by the World Confederation of Business.

**1 Aug**

Puncak Niaga was awarded the 'Asia's Best Employer Brand Awards 2017'.

**4 Aug**

Puncak Niaga was awarded the 'Asia's Best Employer Brand Awards 2016'.

**17 Oct**

Puncak Niaga announced the proposed acquisition of the entire stake of Danum Sinar Sdn Bhd by its 60% owned sub-subsidiary, Danau Semesta Sdn Bhd.

**1 Dec**

Puncak Niaga was awarded the NACRA 2016 - Certificate of Merit for the Annual Report 2015.

**16 Dec**

Puncak Niaga entered into a conditional share sale agreement with Pimpinan Ehsan Berhad to purchase the entire issued and paid-up share capital of TRIPIC Berhad.

**22 Mar**

Puncak Niaga was awarded the 'Excellence and Innovation' in Gold Category at the 'Century International Quality ERA ("CQE")' awards ceremony held in Geneva, Switzerland.

**21 Apr**

Puncak Niaga was awarded European Quality Award ("EQA") in Oxford, United Kingdom.

**9 - 10 Sept**

Puncak Niaga and Malaysian Armed Forces won the '3 Star Gold Award' and 'Platinum Award' at the 'International Exposition On Team Excellence - IETEX 2015' in Singapore.

**6 Sep**

Opening Ceremony of the Luwei (Pingdingshan) Water Co Ltd's Water Treatment Plant in Lushan, China.

**11 Nov**

Signing of Share Sale Agreement between Puncak Niaga and Pengurusan Air Selangor Sdn Bhd ("Air Selangor") for Puncak Niaga to dispose PNSB and SYABAS to Air Selangor.

**15 Oct**

Completion of the Proposed Disposals of PNSB and SYABAS to Air Selangor in line with restructuring of the water industry in the state of Selangor and Federal Territories of Kuala Lumpur and Putrajaya.

**28 Sep**

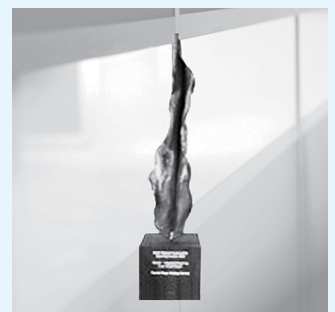
POG completed the acquisitions of the remaining 60% equity interest in GOM Resources and KGL thereby resulting in both GOM Resources and KGL becoming wholly owned subsidiaries of POG.

**4 Oct**

Puncak Niaga received a Commendation for Integrated Reporting of Annual Report at the ACCA Malaysia Sustainability Reporting Awards ("MaSRA") 2011.

**13 Aug**

Puncak Niaga was the Winner for Integrated Reporting in an Annual Report at ACCA Malaysia Sustainability Reporting Awards ("MaSRA") 2009.





## ABOUT US

- 04 Puncak Niaga Group Fact Sheet
- 05 Basis of This Report

## OUR YEAR AT A GLANCE

- 06 Five-Year Group Performance
- 07 Five-Year Financial Highlights
- 08 Share Price Movement
- 09 Financial Calendar

## OUR ORGANISATION'S D.N.A.

- 10 Corporate Profile
- 12 Corporate Information
- 15 Organisation Structure
- 16 Corporate Structure

## OUR STRATEGIC CONTEXT

- 18 Chairman's Letter to Shareholders
- 24 Management Discussion & Analysis

## HOW WE CREATE VALUE THROUGH SUSTAINABILITY

- 38 Sustainable Value Creation
- 39 Scope & Reporting Frameworks
- 39 Sustainability Governance
- 40 Public Policy
- 41 Stakeholder Engagement
- 43 Materiality
- 44 Creating Economic Value
- 48 Environmental Value
- 57 Value To Our Employees
- 70 Value To Our Communities

## OUR LEADERSHIP AND THEIR ROLES

- 74 Board of Directors' Profile
- 82 Key Personnel Profile – Puncak Niaga Group

# WHAT'S INSIDE

## HOW WE ARE GOVERNED

- 86 Corporate Governance Overview Statement
- 99 Audit Committee Report
- 103 Additional Compliance Information
- 104 Statement on Risk Management and Internal Control
- 112 Corporate Disclosure Policy
- 113 Corporate Sustainability Policy
- 114 Corporate Social Responsibility Policy
- 115 Health, Safety and Environmental Policy
- 116 Investor Relations Policy & Report
- 118 Quality Policy
- 119 Board Diversity Policy
- 120 Diversity Policy
- 121 Directors' Fit and Proper Policy
- 123 Statement on Directors' Responsibility for Preparation of Financial Statements

## OUR FINANCIAL NUMBERS

- 124 Approaching Our Financial Statements
- 126 Financial Statements

## OTHER INFORMATION

- 276 Analysis on Securities of Company
- 279 List of Properties
- 285 GRI G4 Content Index
- 290 Notice of 26th Annual General Meeting
- 295 Statement Accompanying the Notice of 26th Annual General Meeting
  - Proxy Form
  - Personal Data Notice







**Chairman's Letter to Shareholders**  
Page 18-23



**Sustainability Statement**  
Page 38-73



**Management Discussion and Analysis**  
Page 24-37

## OUR PURPOSE

Growing Sustainable Businesses For Our Future Generation

## OUR VISION

To Be The Leading Regional Integrated Water, Wastewater And Environmental Solutions Provider With Involvement In Concession Facilities Management Services, Plantation And Property Development Sectors

## OUR MISSION

To meet the increasing challenges in the demand for water, wastewater and environmental engineering, facilities management services, property development, plantation and construction sector through the continuous implementation of strategic planning, high quality standards, efficient services, human capital development, innovative technologies and operational systems

To actively participate in local, regional and global business opportunities with linkages to the Company's core activities

To share experience and offer our expertise through Smart Business Partnerships, Public Private Partnerships or other innovative business models in order to expand business growth

## OUR VALUES

Our Company's values, the PUNCAK Values, shape our organisational culture and guide the way we run our business. They are integrated into our business processes and our core values

At PUNCAK, we are and continuously seek to be:



### PASSIONATE

about our business for sustainable performance



### UNITED

as one in our corporate responsibility strategy to align with Our Vision To Be The Leading Regional Integrated Water, Wastewater And Environmental Solutions Provider With Involvement In Concession Facilities Management Services, Plantation And Property Development Sectors



### NURTURE

our human capital towards an exemplary workforce



### CORPORATE GOVERNANCE

guides the way we run our business in an evolving global business environment



### ACCOUNTABLE

for all our actions and engagement process with our stakeholders



### KNOWLEDGEABLE

in all aspects of our business operations and continue to be the trusted and reliable service provider



## Puncak Niaga Group Fact Sheet

# 2022 KEY HIGHLIGHTS

### Number of Shares Issued

As at 31 December

**449,284,556**

### Share Capital

As at 31 December

**RM554,662,777**

### Revenue

**RM220.928 million**

### Total Assets

**RM2,960.307 million**

### Loss After Tax

**(RM19.231 million)**

Puncak Niaga was awarded:

- **The Gold Award** for the fourth consecutive year at the **2022 Australasian Reporting Awards ("ARA")** in Australia on 18 July 2022
- **The Asia Responsible Enterprise Awards ("AREA") 2022** - Corporate Governance Category on 21 July 2022
- Our Executive Chairman received the **Entrepreneur of the Year Award** at the **13th Asia Pacific Enterprise Awards ("APEA") 2022 Malaysia** on 25 July 2022

### List of Corporate Memberships

	Member since
1. Malaysia South-South Association ("MASSA")	1995
2. Federation of Public Listed Companies ("FPLC")	1997
3. Malaysian Employers Federation ("MEF")	1999
4. Malaysian Industry-Government Group for High Technology ("MIGHT")	2001
5. Malaysian-German Chamber of Commerce and Industry ("MGCC")	2002
6. Malaysian-French Chamber of Commerce and Industry ("MFCCI")	2002
7. Malaysia-Russia Business Council	2002
8. British Malaysian Chamber of Commerce ("BMCC")	2003
9. Malaysia-Japan Economic Association ("MAJECA")	2003
10. Commonwealth Partnership for Technology Management ("CPTM")	2003
11. Institute of Marketing Malaysia ("IMM")	2003
12. Singapore Water Association	2006
13. Malaysian Investors Relations Association ("MIRA")	2008
14. Environmental Management & Research Association of Malaysia ("ENSEARCH")	2009
15. Arab-Malaysian Chamber of Commerce	2012
16. EUROCHAM Malaysia	2012
17. Institute of Corporate Directors Malaysia	2018



## Basis of This Report

# REPORTING FRAMEWORK

This is Puncak Niaga Holdings Berhad's ("Puncak Niaga" or "the Group") Annual Report 2022. This report describes the Group's performance in its efforts to create value for our stakeholders for the financial year ended 31 December 2022. The report strives to provide a comprehensive account of our strategic progress in a balanced and transparent manner. The report also details our Environmental, Social and Governance performance, which is elaborated further in our Sustainability Statement on pages from 38 to 73.

### FEEDBACK

All comments, thoughts and remarks may be directed to:

PUNCAK NIAGA HOLDINGS BERHAD  
c/o Secretarial Department  
10th Floor, Wisma Rozali  
No. 4, Persiaran Sukan, Seksyen 13  
40100 Shah Alam, Selangor Darul Ehsan

Telephone : 03 5522 8589  
Fax : 03 5512 0220  
Email : [investors@puncakniaga.com.my](mailto:investors@puncakniaga.com.my)



Please scan the QR code to access our Annual Report which is also available at [www.puncakniaga.com.my](http://www.puncakniaga.com.my)

### THE TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES ("TCFD") RECOMMENDATIONS

The TCFD Recommendations, first launched in 2017, are designed to encourage consistent and comparable reporting on climate-related risks and opportunities by companies to their stakeholders. The TCFD Recommendations are structured around 4 content pillars:

1 Governance 2 Strategy 3 Risk Management 4 Metrics & Targets

### SCOPE AND BOUNDARIES

Puncak Niaga is publicly listed on the Main Market of Bursa Malaysia Securities Berhad. This report covers all our business activities, including those of our principal subsidiaries.

### GUIDELINES AND STANDARDS

Throughout the preparation of this report, we have been guided by best practices as prescribed by international and local integrated reporting frameworks. Our disclosures adhere to the requirements of the following:-

- Malaysian Code on Corporate Governance 2021 ("MCCG")
- Bursa Malaysia Securities Berhad's ("Bursa Malaysia") Main Market Listing Requirements ("MMLR")
- Bursa Malaysia's Corporate Governance Guide 4th Edition
- Companies Act 2016
- Malaysian Financial Reporting Standards
- International Financial Reporting Standards and other regulatory requirements as applicable

In the area of sustainability, we have developed our reporting in line with key sustainability reporting guidelines such as Bursa Malaysia's Sustainability Reporting Guide 2nd Edition and Global Reporting Initiative ("GRI").

### ASSURANCE

The report has been developed with oversight by the Board of Directors, who has given its collective assurance and approval for its content. Our financial reporting is audited by an independent third party, Grant Thornton Malaysia PLT who had audited our Financial Statements for the financial year ended 31 December 2022 and approved them free of qualification.

### FORWARD LOOKING STATEMENTS

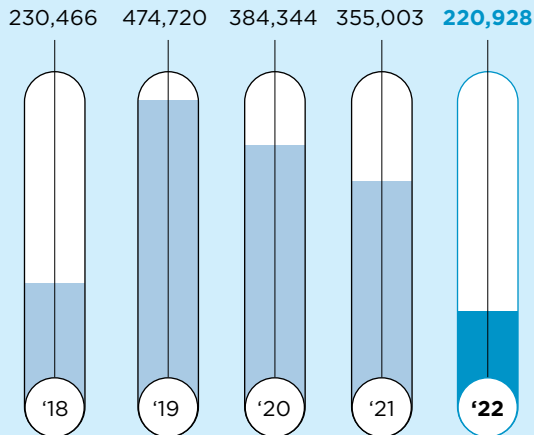
Forward looking statements should be taken with a degree of caution as they are reliant on various events, risks, uncertainties and other factors beyond our control. These statements can be identified through the use of key words such as "believes", "intend", "will", "plans", "outlook" and other similar words in conjunction with discussions on future operating or financial performance. In the coming years, we will be able to report with more comprehensive data and better assess our material focus areas.

The hard copy of this report is available to all stakeholders upon request. A soft copy is publicly available at [www.puncakniaga.com.my](http://www.puncakniaga.com.my)

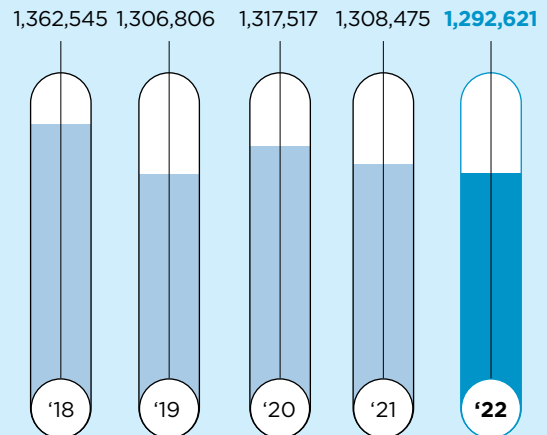


## Five-Year Group Performance

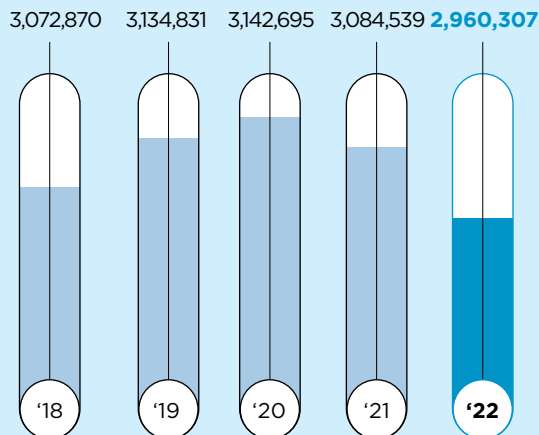
Revenue (RM'000)



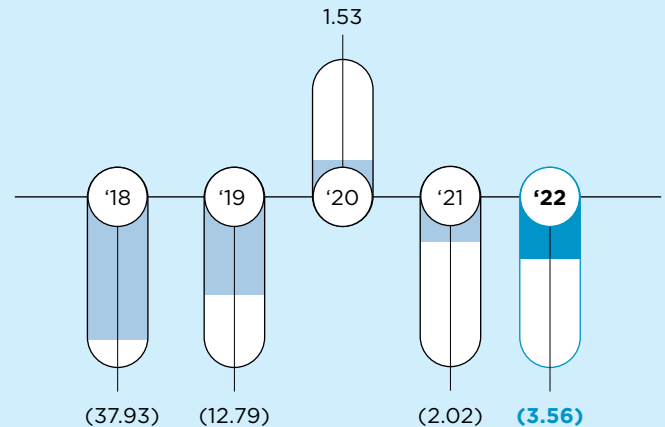
Equity Attributable To Owners Of The Parent (RM'000)



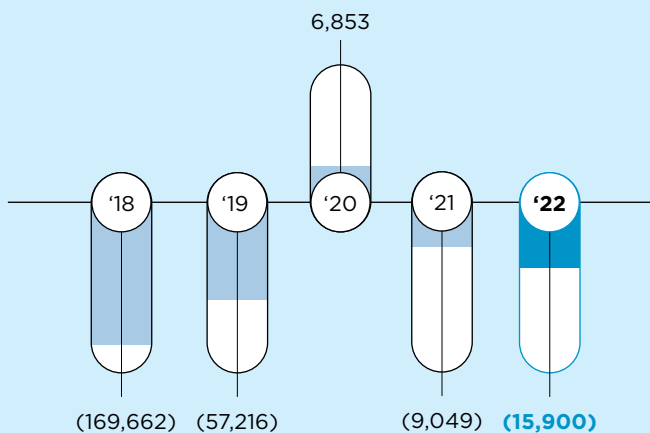
Total Assets (RM'000)



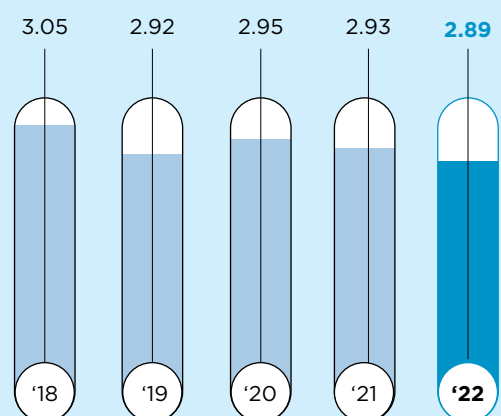
Basic (Loss)/Earnings Per Share Attributable To Owners Of The Parent (Sen)



Net (Loss)/Profit Attributable To Owners Of The Parent (RM'000)



Net Assets Per Share Attributable To Owners Of The Parent (RM)





## Five-Year Financial Highlights

	31-Dec-22 RM'000	31-Dec-21 RM'000	31-Dec-20 RM'000	31-Dec-19 RM'000	31-Dec-18 RM'000
<b>KEY RESULTS</b>					
<b>Revenue</b>	<b>220,928</b>	355,003	384,344	474,720	230,466
<b>Loss Before Tax</b>	<b>(23,686)</b>	(15,070)	(9,382)	(57,290)	(119,064)
Net (Loss)/Profit attributable to owners of the parent	<b>(15,900)</b>	(9,049)	6,853	(57,216)	(169,662)
<b>STATEMENTS OF FINANCIAL POSITION</b>					
Property, plant and equipment	<b>472,310</b>	478,016	510,968	510,956	527,427
Investment properties	<b>848,844</b>	836,380	818,925	852,297	852,297
Bearer biological assets	<b>311,447</b>	309,711	312,629	311,504	305,470
Other non-current assets	<b>872,040</b>	900,790	883,869	755,491	491,787
Current assets	<b>455,666</b>	559,642	616,304	704,583	895,889
Total assets	<b>2,960,307</b>	3,084,539	3,142,695	3,134,831	3,072,870
<b>ISSUED AND PAID-UP CAPITAL</b>					
Share capital	<b>554,663</b>	554,663	554,663	554,663	554,663
Reserves	<b>737,958</b>	753,812	762,854	752,143	807,882
Equity attributable to owners of the parent	<b>1,292,621</b>	1,308,475	1,317,517	1,306,806	1,362,545
Net assets per share attributable to owners of the parent (RM)	<b>2.89</b>	2.93	2.95	2.92	3.05
<b>RATIOS AND STATISTICS</b>					
Net (Loss)/Profit margin attributable to owners of the parent (%)	<b>(7.20)</b>	(2.55)	1.78	(12.05)	(73.62)
Basic (Loss)/Earnings per share attributable to owners of the parent (sen)	<b>(3.56)</b>	(2.02)	1.53	(12.79)	(37.93)
Loans and borrowings (RM'000)	<b>1,175,198</b>	1,233,585	1,258,576	1,243,129	1,108,871
Gearing ratio (%)	<b>48</b>	49	49	49	45
Current ratio (times)	<b>1.07</b>	1.16	1.35	1.61	2.20

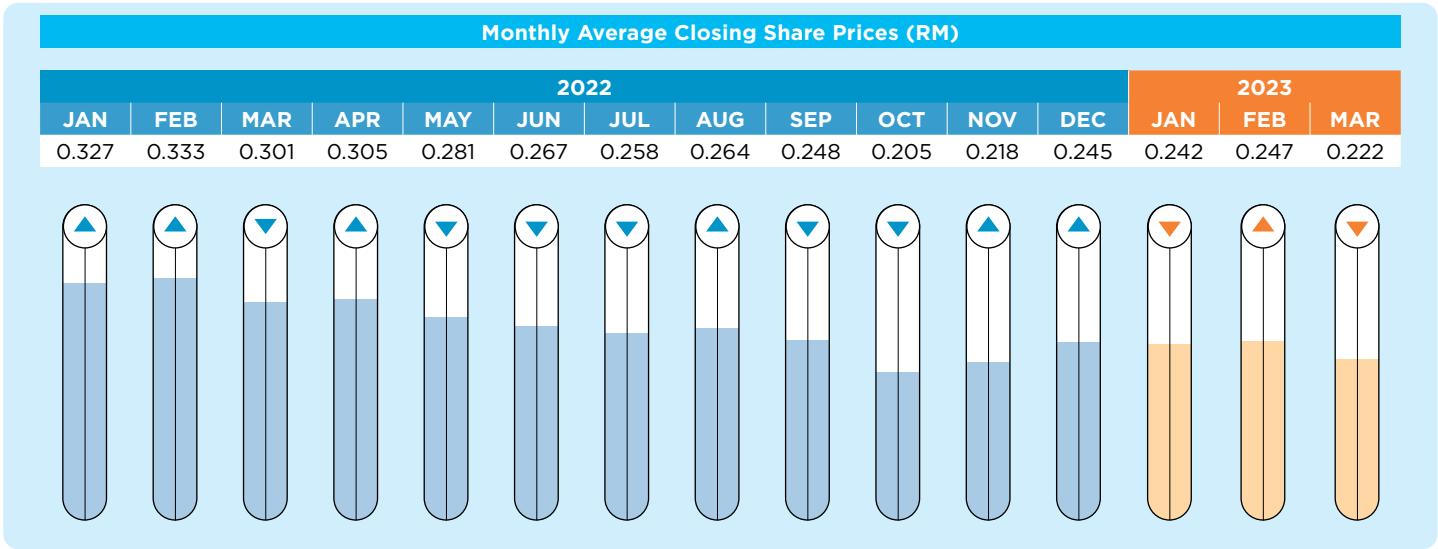
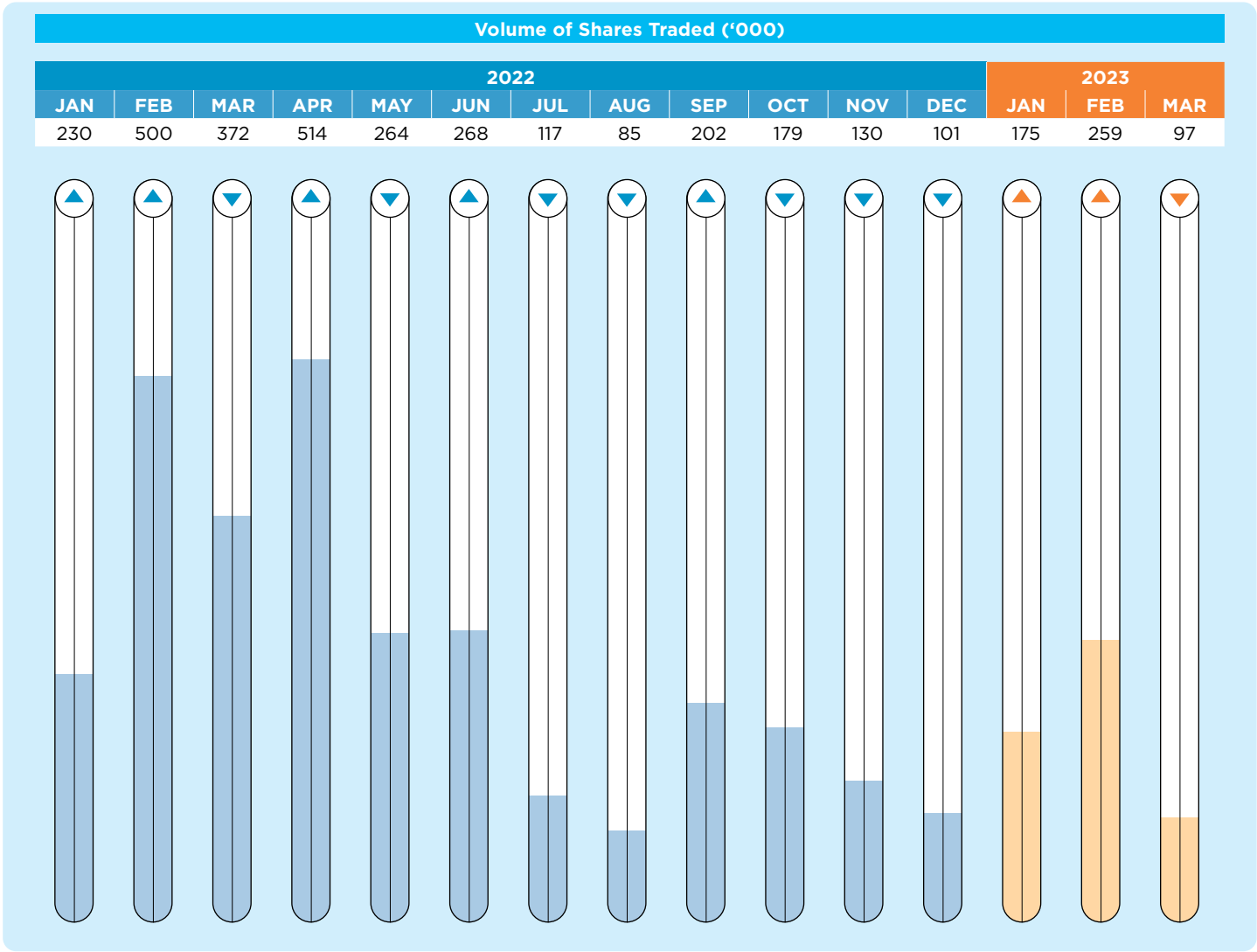


# Share Price Movement

UP TO 30 MARCH 2023

Stock Name: PUNCAK

Stock Code: 6807





## Financial Calendar

Year  
**2022**



**First Quarter Results Ended**  
31 March 2022



**Second Quarter Results Ended**  
30 June 2022



**Third Quarter Results Ended**  
30 September 2022

Year  
**2023**



**Fourth Quarter Results Ended**  
31 December 2022



**Audited Financial Statements For The Financial Year Ended**  
31 December 2022



**Published Annual Report 2022**



**Twenty-Sixth Annual General Meeting**

## Corporate Profile



**“Puncak Niaga Holdings Berhad (“Puncak Niaga”) Group is the leading regional integrated water, wastewater and environmental solutions provider with involvement in environmental engineering and construction, concession and facilities management services and plantation sectors.”**

### OUR COMPANY

Puncak Niaga Holdings Berhad (“Puncak Niaga”) Group is the leading regional integrated water, wastewater and environmental solutions provider with involvement in environmental engineering and construction, concession and facilities management services and plantation sectors. Puncak Niaga is an investment holding company whilst its subsidiaries are principally involved in the construction, water, wastewater, sewerage and environmental engineering sectors including undertaking research and development and technology development for the water, wastewater and environmental sectors, management and advisory services, facilities management services and plantation.

Established on 7 January 1997, Puncak Niaga was listed on the Main Board of Bursa Malaysia Securities Berhad (now known as the Main Market of Bursa Malaysia Securities Berhad) on 8 July 1997. As at the end of 31 December 2022, Puncak Niaga’s market capitalisation stood at RM138.65 million. It is the first water treatment and supply concession company to be listed on Bursa Malaysia Securities Berhad under the Infrastructure Project Company guidelines issued by Securities Commission and was reclassified to the Construction sector on 13 November 2015.

### OUR CORE BUSINESS AND CAPABILITIES

Our wholly-owned subsidiary, Puncak Niaga Construction Sdn Bhd’s (“PNCSB”) principal business activities are construction works, general contracts and its related activities. As the construction arm of Puncak Niaga, PNCSB had completed 2 water supply projects in October and December 2015, respectively, in Sarawak and a water supply project in April 2019, in Sabah. Currently, PNCSB manages 2 sewerage projects in Kuala Lumpur and Kuantan and one water pipes replacement project in Johor respectively for the Government.



## Corporate Profile

Puncak Niaga Infrastructures & Projects Private Limited which was formed on 10 March 2011 in India to focus on potential markets in India was struck off from the Register of Companies of India and ceased to be a wholly-owned subsidiary of Puncak Niaga on 28 January 2022.

On 28 September 2011, Puncak Oil & Gas Sdn Bhd ("POG") completed the 100% equity acquisitions of 2 oil and gas entities, namely GOM Resources Sdn Bhd ("GOM Resources") and KGL Ltd ("KGL") with proven track records in undertaking oil and gas works for Petronas. The acquisitions enabled Puncak Niaga Group to diversify into the oil & gas sector and the Group subsequently exited the oil and gas industry in 2018.

Puncak Niaga has a branch office in South East Asia, namely, Puncak Niaga Holdings Berhad (Brunei Branch) to facilitate the business development efforts for Puncak Niaga Group in Brunei Darussalam.

Puncak Niaga Management Services Sdn Bhd ("PNMSSB") provides management and advisory services to Puncak Niaga Group whereas Murni Estate Sdn Bhd ("MESB") is Puncak Niaga's Plantation Division's holding company.

On 17 October 2016, MESB acquired a 60% subsidiary, namely, Danau Semesta Sdn Bhd ("Danau Semesta") to facilitate the Group's business expansion plans in the oil palm plantation sector. On 28 June 2017, MESB's equity interest in Danau Semesta increased to 90%. On 3 July 2017, Danau Semesta acquired a wholly-owned subsidiary, Danum Sinar Sdn Bhd with its principal activities in the oil palm cultivation with 46,674 hectares plantation land in Murum, Sarawak.

After being in the Selangor water services industry since 1994, on 15 October 2015, both PNSB Water Sdn Bhd (formerly known as Puncak Niaga (M) Sdn Bhd ("PNSB") and Syarikat Bekalan Air Selangor Sdn Bhd ("SYABAS") were disposed to Pengurusan Air Selangor Sdn Bhd and ceased to be a wholly-owned subsidiary and jointly controlled entity of Puncak Niaga Group in line with the consolidation of the Selangor water services industry by the Federal Government and the State Government of Selangor.

On 31 May 2018, Puncak Niaga completed the acquisition of the entire issued share capital in TRIplc Berhad ("TRIplc") which is principally involved in the provision of project management services for construction projects, property development, property investment, property management and facilities management services. TRIplc, through its wholly-owned subsidiaries TRIplc Ventures Sdn Bhd and TRIplc Medical Sdn Bhd, are the holders of two concession agreements for Zone 1 Phase 2 ("Z1P2") and Zone 1 Phase 3 ("Z1P3") of Universiti Teknologi MARA ("UiTM") Puncak Alam Campus under the Private Finance Initiative in Malaysia.

### OUR PEOPLE

Out of the manpower strength of more than 600 employees in Puncak Niaga Group, more than half comprise Management, professionals, technical and supervisory executives with core competencies in engineering, plantation, accountancy, legal, management, administration and business; which are instrumental in supporting the Group's existing and future businesses and operations.

### OUR COMMITMENT TO CORPORATE CITIZENSHIP

Puncak Niaga Group is committed to upholding the principles of good corporate governance and core values such as quality, value, service, innovation, integrity and trust in the conduct of our businesses which are integral to the Group's success over the years. We have received various repeat awards and accolades for good governance, annual reporting, occupational safety and health and environmental and social reporting.

### OUR FUTURE PLANS

As Puncak Niaga Group seeks to grow sustainable businesses and deliver value to its stakeholders, we will look into expanding our operations in areas related to our core businesses and core competencies in water and wastewater, sewerage, environmental engineering and construction, concession and facilities management services and plantation.



**Water and Wastewater**



**Sewerage**



**Environmental Engineering**



**Environmental Construction**



**Concession**



**Facilities Management Services**



**Plantation**

## Corporate Information

### BOARD OF DIRECTORS

#### **YANG BERBAHAGIA TAN SRI ROZALI BIN ISMAIL**

Executive Chairman

#### **ENCIK AZLAN SHAH BIN TAN SRI ROZALI**

Managing Director

#### **YANG BERBAHAGIA DATO' SRI ADENAN BIN AB. RAHMAN**

Independent Non-Executive Director

#### **YANG BERBAHAGIA PROF EMERITUS DATUK DR MARIMUTHU A/L NADASON**

Independent Non-Executive Director

#### **YANG BERBAHAGIA DATUK SR HAJI JOHARI BIN WAHAB**

Independent Non-Executive Director

#### **YANG MULIA TENGKU LORETA BINTI TENGKU DATO' SETIA RAMLI ALHAJ**

Independent Non-Executive Director

#### **TUAN HAJI NOOR FAIZ BIN HASSAN**

Independent Non-Executive Director

#### **YANG BERBAHAGIA TAN SRI DR MADINAH BINTI MOHAMAD**

Independent Non-Executive Director

#### **ACTING EXECUTIVE DIRECTOR, FINANCE**

Madam Lim Mun Lee

#### **COMPANY SECRETARIES**

Madam Tan Bee Lian  
(MAICSA 7006285/SSM PC No: 201908003714)

Puan Wan Razmah binti Wan Abd Rahman  
(MAICSA 7021383/SSM PC No: 202008002111)

#### **DATE AND PLACE OF INCORPORATION**

7 January 1997, Malaysia

#### **COMPANY NUMBER**

199701000591 (416087-U)

#### **REGISTERED OFFICE**

10th Floor, Wisma Rozali  
No. 4, Persiaran Sukan, Seksyen 13  
40100 Shah Alam, Selangor Darul Ehsan  
Tel : +603-5522 8428  
Fax : +603-5512 0220

#### **PRINCIPAL OFFICE**

Wisma Rozali  
No. 4, Persiaran Sukan, Seksyen 13  
40100 Shah Alam, Selangor Darul Ehsan  
Tel : +603-5522 8589  
Fax : +603-5522 8598  
E-mail (general): pr@puncakniaga.com.my  
E-mail (investors): investors@puncakniaga.com.my  
Website: www.puncakniaga.com.my

#### **AUDITORS**

Grant Thornton Malaysia PLT  
(201906003682 & LLP0022494-LCA)  
Chartered Accountants (AF 0737)

#### **TAX ADVISORS**

KPMG Tax Services Sdn Bhd



## Corporate Information

### PRINCIPAL BANKERS

- RHB Islamic Bank Berhad [200501003283 (680329-V)]
- Affin Islamic Bank Berhad [200501027372 (709506-V)]
- Malayan Banking Berhad [196001000142 (3813-K)]
- United Overseas Bank (Malaysia) Berhad [199301017069 (271809-K)]
- Hong Leong Bank Berhad [193401000023 (97141-X)]
- Hong Leong Islamic Bank Berhad [200501009144 (686191-W)]

### MAIN SOLICITORS

- Messrs Adnan Sundra & Low
- Messrs Belden
- Messrs CK Lim Law Chambers
- Messrs Rosli Dahlan Saravana Partnership

### SHARE REGISTRAR

(place where all registers of securities are kept)

#### Tricor Investor & Issuing House Services Sdn Bhd

[197101000970 (11324-H)]  
Unit 32-01, Level 32, Tower A  
Vertical Business Suite  
Avenue 3, Bangsar South  
No. 8, Jalan Kerinchi  
59200 Kuala Lumpur  
Tel : +603-2783 9299  
Fax : +603-2783 9222

### STOCK EXCHANGE LISTING

#### Main Market

Bursa Malaysia Securities Berhad  
Construction Sector

#### Shariah Compliant Security

Securities Commission Malaysia  
Construction Sector

### EXECUTIVE COMMITTEE

#### Chairman

- Yang Berbahagia Tan Sri Rozali bin Ismail

#### Members

- Encik Azlan Shah bin Tan Sri Rozali
- Tuan Syed Badli Shah bin Syed Mansoor
- Yang Berbahagia Prof Dato' Dr Mohd Zainul Fithri bin Othman
- Madam Lim Mun Lee
- Madam Tan Bee Lian
- Puan Faridatulzakiah binti Mohd Bakhry

### AUDIT COMMITTEE

#### Chairman

- Yang Berbahagia Dato' Sri Adenan bin Ab. Rahman

#### Members

- Yang Berbahagia Prof Emeritus Datuk Dr Marimuthu A/L Nadason
- Yang Berbahagia Datuk Sr Haji Johari bin Wahab
- Yang Mulia Tengku Loreta binti Tengku Dato' Setia Ramli Alhaj
- Tuan Haji Noor Faiz bin Hassan
- Yang Berbahagia Tan Sri Dr Madinah binti Mohamad

### REMUNERATION COMMITTEE

#### Chairman

- Yang Berbahagia Dato' Sri Adenan bin Ab. Rahman

#### Members

- Yang Berbahagia Prof Emeritus Datuk Dr Marimuthu A/L Nadason
- Yang Berbahagia Datuk Sr Haji Johari bin Wahab
- Yang Mulia Tengku Loreta binti Tengku Dato' Setia Ramli Alhaj
- Tuan Haji Noor Faiz bin Hassan
- Yang Berbahagia Tan Sri Dr Madinah binti Mohamad

### NOMINATION COMMITTEE

#### Chairman

- Yang Berbahagia Prof Emeritus Datuk Dr Marimuthu A/L Nadason

#### Members

- Yang Berbahagia Dato' Sri Adenan bin Ab. Rahman
- Yang Berbahagia Datuk Sr Haji Johari bin Wahab
- Yang Mulia Tengku Loreta binti Tengku Dato' Setia Ramli Alhaj
- Tuan Haji Noor Faiz bin Hassan
- Yang Berbahagia Tan Sri Dr Madinah binti Mohamad

### COMPLIANCE, INTERNAL CONTROL AND RISK POLICY COMMITTEE

#### Chairman

- Yang Berbahagia Dato' Sri Adenan bin Ab. Rahman

#### Members

- Yang Berbahagia Prof Emeritus Datuk Dr Marimuthu A/L Nadason
- Yang Berbahagia Datuk Sr Haji Johari bin Wahab
- Yang Mulia Tengku Loreta binti Tengku Dato' Setia Ramli Alhaj
- Tuan Haji Noor Faiz bin Hassan
- Yang Berbahagia Tan Sri Dr Madinah binti Mohamad

# Corporate Information

## Subsidiary Offices

### Malaysia

#### Puncak Niaga Management Services Sdn Bhd's Office

Wisma Rozali  
No. 4, Persiaran Sukan  
Seksyen 13  
40100 Shah Alam  
Selangor Darul Ehsan  
Tel : +603-5522 8589  
Fax : +603-5522 8598

#### TRIPLC Berhad and Group's Office

2nd Floor, Wisma Rozali  
No. 4, Persiaran Sukan  
Seksyen 13  
40100 Shah Alam  
Selangor Darul Ehsan  
Tel : +603-5522 8589  
Fax : +603-5522 8598

#### GOM Resources Sdn Bhd's Office

2nd Floor, Wisma Rozali  
No. 4, Persiaran Sukan  
Seksyen 13  
40100 Shah Alam  
Selangor Darul Ehsan  
Tel : +603-5522 8589  
Fax : +603-5522 8598

#### Puncak Niaga Construction Sdn Bhd's Office

5th Floor, Wisma Rozali  
No. 4, Persiaran Sukan  
Seksyen 13  
40100 Shah Alam  
Selangor Darul Ehsan  
Tel : +603-5522 8589  
Fax : +603-5510 1340

#### Murni Estate Sdn Bhd's Office

4th Floor, Wisma Rozali  
No. 4, Persiaran Sukan  
Seksyen 13  
40100 Shah Alam  
Selangor Darul Ehsan  
Tel : +603-5522 8589  
Fax : +603-5522 8598

#### Puncak Communication Sdn Bhd's Office

2nd Floor, Wisma Rozali  
No. 4, Persiaran Sukan  
Seksyen 13  
40100 Shah Alam  
Selangor Darul Ehsan  
Tel : +603-5522 8589  
Fax : +603-5522 8598

#### Danum Sinar Sdn Bhd's Office

Shoplot 237, Lot 8388, Ground Floor  
Bintulu Central, Phase 2  
97000 Bintulu  
Sarawak  
Tel : +086-351 416/415  
Fax : +086-351 418

#### Puncak Oil & Gas Sdn Bhd's Office

2nd Floor, Wisma Rozali  
No. 4, Persiaran Sukan  
Seksyen 13  
40100 Shah Alam  
Selangor Darul Ehsan  
Tel : +603-5522 8589  
Fax : +603-5522 8598

#### KGL Ltd's Office

Level 15(A1)  
Main Office Tower  
Financial Park Labuan  
Jalan Merdeka  
87000 Federal Territory of Labuan  
Tel : +6087-453 288  
Fax : +6087-451 288

### Brunei

#### Puncak Niaga Holdings Berhad (Brunei Branch)'s Office

c/o Room 308B, 3rd Floor  
Wisma Jaya, Jalan Pemancha  
Bandar Seri Begawan  
BS 8811  
Negara Brunei Darussalam  
Tel : +673-223-2780/1/2  
Fax : +673-223-2783

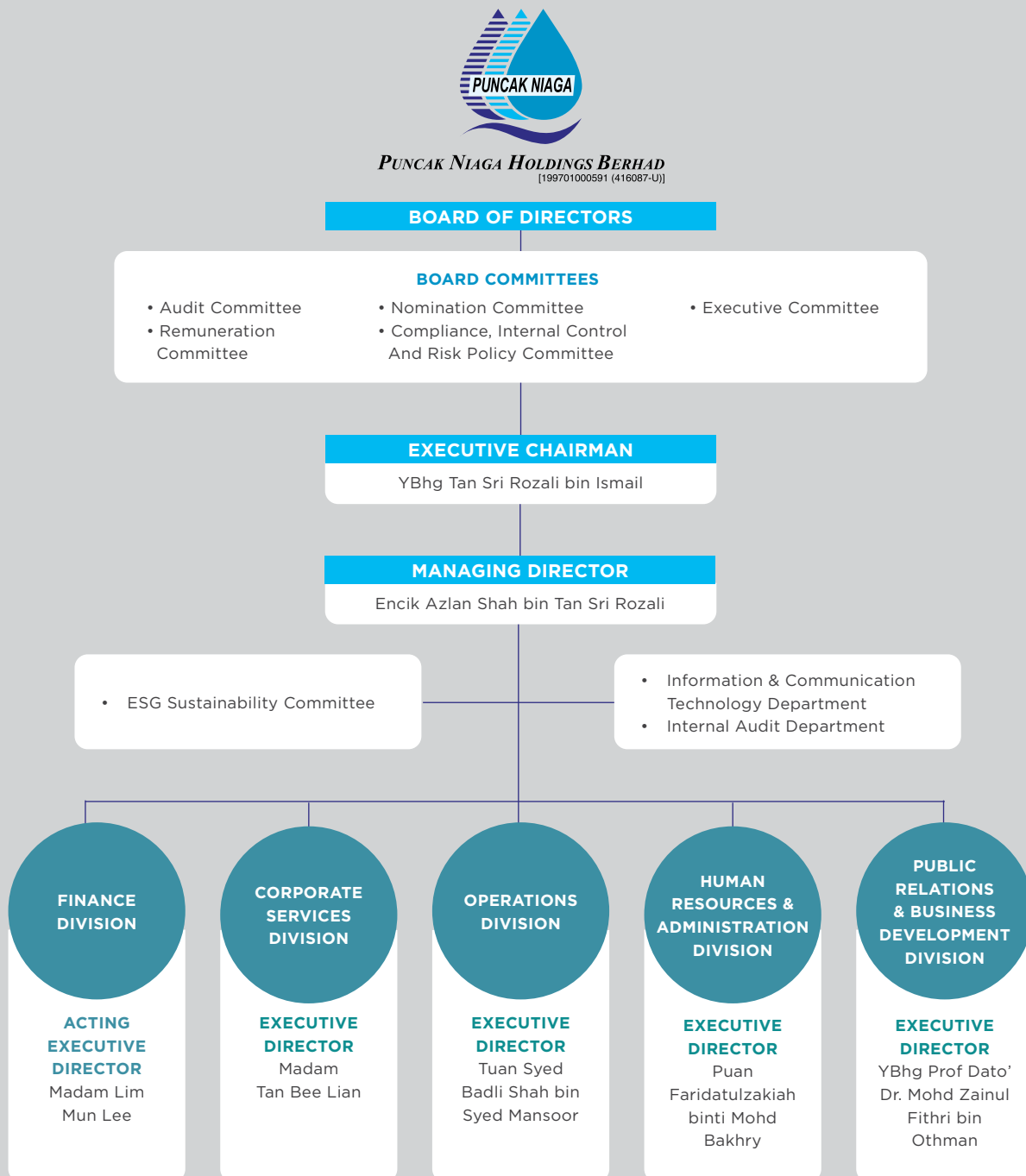
### Singapore

#### Sino Water Pte Ltd's Office

c/o 80 Robinson Road #02-00  
Singapore 068898  
Tel : +65 6236 3333  
Fax : +65 6236 4399



# Organisation Structure



# Corporate Structure



**PUNCAK NIAGA HOLDINGS BERHAD**  
[199701000591 (418087-U)]

## INVESTMENT HOLDING

100%

### PUNCAK NIAGA MANAGEMENT SERVICES SDN BHD

provision of management, advisory and consultancy services

100%

### PUNCAK NIAGA CONSTRUCTION SDN BHD

construction work, general contracts and related activities

100%

### PUNCAK RESEARCH CENTRE SDN BHD

research and development and technology development for water, wastewater and environment sectors

100%

### PUNCAK COMMUNICATION SDN BHD

mobile dealer, telecommunication and other related services

100%

### MAGNUM NATURE SDN BHD

dormant

100%

### IDEAL WATER RESOURCES SDN BHD

dormant

100%

### UNGGUL RAYA (M) SDN BHD

dormant

100%

### TRIPLC BERHAD

investment holding company and engaged in property construction and related activities

100%

### MURNI ESTATE SDN BHD

investment holding and oil palm plantation business

100%

### PUNCAK SERI (M) SDN BHD

dormant

100%

### PUNCAK OIL & GAS SDN BHD

investment holding and provision of services for offshore logistics and marine management

98.65%

### SINO WATER PTE LTD

ceased operations

60%

### PUNCAK PATEM KONSORTIUM SDN BHD

development, construction and management of water supply system, water treatment and other related services

60%

### ASPEN STREAMS SDN BHD

dormant

50%

### JADEKIND LIMITED

development, manufacturing and distribution of supplement product in People's Republic of China

50%

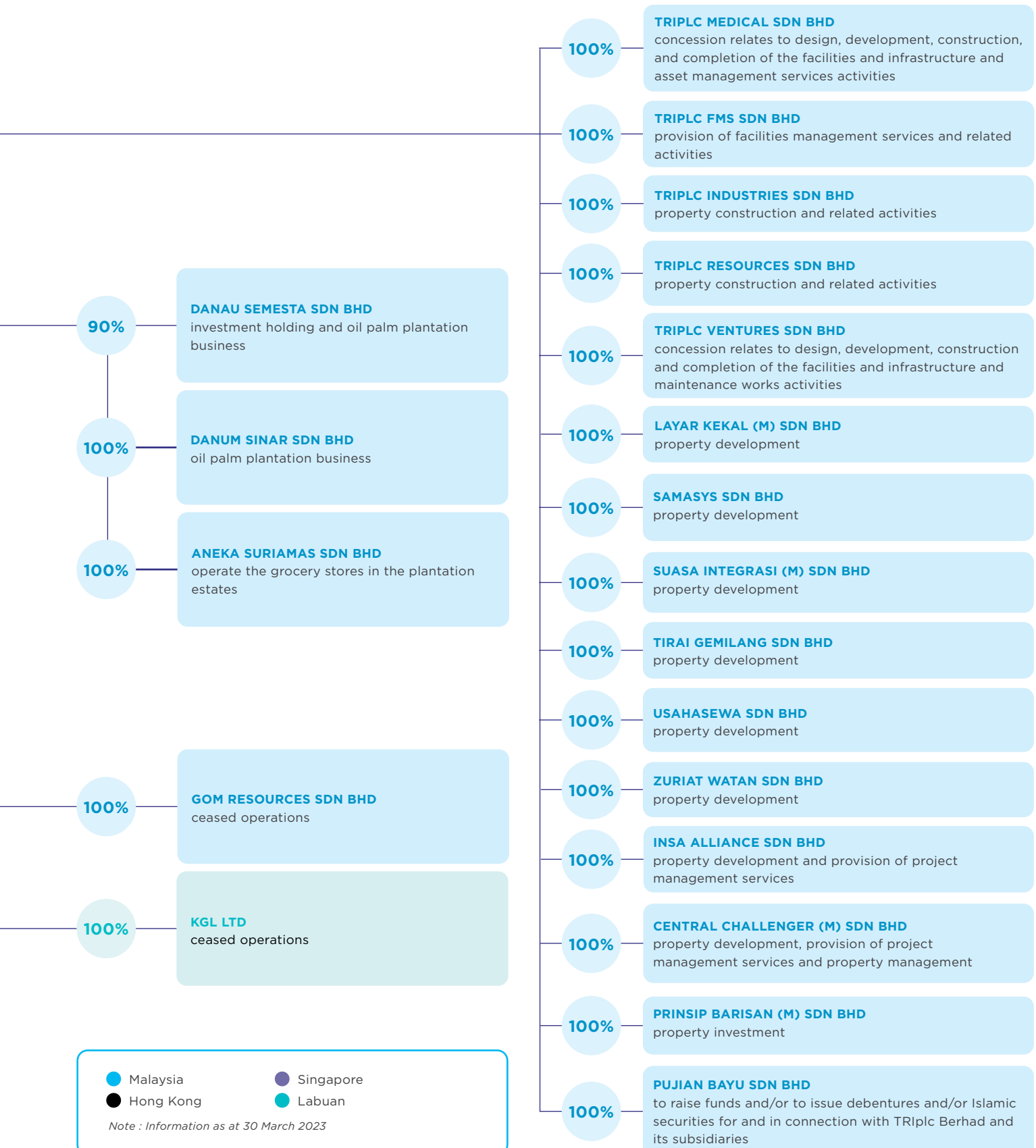
### ASSOCIATE COMPANY

### PURNAMA PERSADA SDN BHD

dormant



## Corporate Structure



## Chairman's Letter To Shareholders

### DEAR SHAREHOLDERS,

It is my privilege to present to you Puncak Niaga Holdings Berhad's ("Puncak Niaga" or "the Group") Annual Report 31 December 2022 ("FY2022").

The year 2022 marked the recovery of the Malaysian economy as movement restrictions were lifted in April on the back of high vaccination rate and economic sectors were allowed to reopen and resume operations. The country's GDP growth of 8.7% surpassed official forecasts, thanks to expansion in domestic demand, a firm recovery in the labour market, solid exports and ongoing policy support. Labour market conditions also improved in 2022 with unemployment and underemployment rates falling, supported by an increasing number of workers entering the workforce.

Nevertheless, inflation continued to be on the rise, reflecting on the confluence of stronger demand conditions and elevated cost pressures, particularly for food-related items. Inflationary pressures are not exclusive to Malaysia, as inflation soared to multi-decade highs in many countries, prompting rapid monetary policy tightening and shrinking household budgets, whilst pandemic-related fiscal support waned. Likewise, Bank Negara Malaysia ("BNM") has raised interest rates multiple times in 2022.





## Chairman's Letter To Shareholders

### FINANCIAL REVIEW

During the year under review, the Group reported a loss after tax ("LAT") of RM19.231 million compared to a LAT of RM11.185 million in FY2021. The Group's revenue declined by 37.8% to RM220.928 million from RM355.003 million in the preceding year, mainly due to a lower revenue contribution from the Construction and Concession segments. The Group reported a loss before tax ("LBT") of RM23.686 million versus RM15.070 million in FY2021 due to lower operational profit from the Construction segment and higher operating expenses from the Plantation segment.

Revenue for the Construction segment stood at RM55.017 million in FY2022, as compared to RM134.735 million in FY2021 due to slower work progress in the Kuantan Project. Revenue for the Plantation segment rose to RM41.744 million from the previous year's RM41.235 million due to higher crude palm oil prices, despite lower fresh fruit bunches ("FFB") production. The Concession segment's revenue declined to RM124.132 million in the year under review, compared to RM178.937 million in FY2021, following the completion of construction works of UiTM-Zone 1 Phase 3, Campus Puncak Alam ("Z1P3 Project") and the handover of the completed facilities to Universiti Teknologi MARA ("UiTM") on 1 February 2021.



#### Revenue

FY2022

**RM221 million**

*RM355 million in FY2021*

#### Environmental Engineering and Construction Revenue

FY2022

**RM55.0 million**

#### Plantation Revenue

FY2022

**RM41.7 million**

#### Concession and Facilities Management Revenue

FY2022

**RM124.1 million**

### FOCUSED ON OUR VALUE CREATION JOURNEY

In FY2022, our Concession and Facilities Management segment successfully completed one full year of its maintenance services and asset replacement programme for the UiTM-ZIP3 Concession. We also received an additional contract for the sum of RM44.1 million from UiTM to supply additional medical equipment to Hospital Al-Sultan Abdullah UiTM for a period of 40 months, from 1 July 2022 to 31 October 2025.

**Our UiTM-ZIP2 Concession, meanwhile, continued to deliver its best performance and exceeded the agreed full year's key performance indicator ("KPI") of 93% with a score of 99.76%. The annual customer satisfaction survey conducted at the end of 2022 also recorded a high score of 96.15%.**

In the year under review, our Plantation segment delivered higher revenue despite the decline in FFB output, thanks to higher crude palm oil prices. While the Management of Danum Sinar Sdn Bhd ("Danum Sinar") strived to improve efficiency, our operations were still recovering from the impact of the labour shortage faced over the past two years due to the pandemic. As such, we were only able to produce a slightly lower FFB production of 46,419 metric tonnes compared to 49,952 metric tonnes in FY2021. The intake of Indonesian workers, especially harvesters, is expected to improve our FFB production. Enhancing welfare of the workers is our main strategy besides exploring semi-mechanization processes and digitalisation at our estates to reduce labour dependencies.

Meanwhile, our Environmental Engineering and Construction segment achieved 94.66% completion of the Kuantan Project. In the Bunus Project, our progress was modest at 91.16% compared to 89.83% in the previous year as we were still hindered by delays in the handover of project sites by third parties. Since these external factors were beyond our control, we were unable to meet the Extension of Time ("EOT") No. 4 timeline on 1 March 2023 to complete the Bunus Project. On 21 February 2023, Puncak Niaga Construction Sdn Bhd ("PNCSB") was granted EOT No. 5 for the period 1 March 2023 up to 22 November 2023 to complete the Bunus Project.

On 28 March 2023, PNCSB secured a sub-contract as Principal Sub-Contractor for a project known as "Program Penggantian Paip Lama Bagi Tahun 2020 Di Negeri Johor Pakej 2 - Daerah Johor Bahru, Kulai, Pontian, Kota Tinggi & Mersing" ("Johor Project"). This project is worth RM82,857,328.90 with an expected completion date of 17 January 2024 where the client is Pengurusan Aset Air Berhad - this is expected to add value to our Environmental Engineering and Construction segment.

On 30 March 2023, PNCSB obtained EOT No. 3 for the period 4 April 2023 till 13 January 2024 to complete the Kuantan Project.

## Chairman's Letter To Shareholders

### ESG IN OUR BUSINESS

We are mindful of the impact that our operations have on the environment and our communities, and as such, we continue to strengthen our environmental, social and governance ("ESG") practices within our businesses to reduce the consequences of our activities. Sustainable practices will also enable us to carry on doing business in our marketplace over the long term.

We have consistently maintained high occupational, safety & health standards, as we are committed to ensuring a healthy, safe and environmentally sound workplace for our clients, employees, contractors and the general public. Within our Environmental Engineering and Construction segment, our construction of the centralised sewage treatment plants ("CSTPs") will reduce the number of multipoint sewage treatment plants and therefore, reduce sources of pollution. We have installed rooftop solar panels and practised the recycling of treated wastewater effluent. In our Plantation segment, which has a direct impact on the environment, we continue to comply with all relevant laws and regulations. We also closely monitor our water usage and waste disposal practices to limit pollution.

As our employees are the core strength of the Group, our priority is to ensure their safety and health, while providing opportunities for them to develop their skills and knowledge further.

**In 2022, our record remained consistent with zero fatalities. However, we achieved only 814,750 LTI-free manhours for our Kuantan Project, details of which are in pages 65 and 66 of this Annual Report.**

During the year under review, we invested a total of RM159,300.34 (equivalent to 777.82 manhours) in training and development. We also continued to support the communities in the areas where we operate through various CSR programmes throughout the year under review.

### SUPPORTING COMMUNITIES

As part of our efforts to support the communities in areas where we operate, we provided television and accessories for Surau Ibnu Sina UiTM Campus on 3 January 2022. In mitigating the risks of COVID-19, our Group also organised 33 sanitisation exercises at various UiTM Puncak Alam Campus buildings, including the Faculty of Accountancy, Faculty of Business and Management and Faculty of Hotel & Tourism Management, as well as Medical Clinic, Hostel Casuarina, Surau Ibnu Sina and Facility Maintenance Centre.

The Group, through its staff association, Persatuan Kakitangan Kumpulan Puncak Niaga ("PEKA"), also organised several community-related initiatives during the year under review. A total of 30 children of our estate workers at our estates in Murum, Sarawak received basic learning tools from the Group. The children also received tuition from volunteers from our Plantation Division.

Other activities that the Group participated in were:

- **Providing school uniforms to asnaf children**
- **A CSR programme with SPM students (conducted since 2020)**
- **Ramadhan contributions to local communities**
- **Cash donations to local communities**



### GOVERNANCE

The Group remains committed to upholding good corporate governance and integrity practices. On 28 July 2022, 27 employees attended the ISO 37001 Anti Bribery Management System awareness briefing. On 6 December 2022, a total of 29 members of the Management of Puncak Niaga Group participated in the talk delivered by a representative from the Malaysian Anti-Corruption Commission ("MACC") on Corporate Liability under Section 17A of the MACC Act 2009.

For the year under review, we increased the number of female Directors on our Board to 25% with the appointment of YBhg Tan Sri Dr Madinah binti Mohamad on 1 December 2022. We are also pleased to report that 35.5% of our Management are women.

The integration of ESG considerations and risks into the Group's long-term strategy has been addressed in our enterprise risk management processes. In the year under review, we have also assigned and trained one of our Group's Manager as a Sustainability Manager and she is now assisting the Board and the Group in taking our ESG journey to the next level.

Our efforts and initiatives in upholding corporate governance and transparency standards have been recognised by various third parties. Our commitment to the highest standards of annual report disclosures was acknowledged once again at the Australasian Reporting Awards ("ARA") where we secured our fourth consecutive Gold Award at the 2022 ARA Awards in

## Chairman's Letter To Shareholders

Australia on 18 July 2022. In addition, we were recognised at the Asia Responsible Enterprise Awards 2022 under the Corporate Governance category for our outstanding and exemplary achievements in sustainability and responsible entrepreneurship.

On a personal note, I am also humbled to have received the Entrepreneur of the Year Award at the 13th Asia Pacific Enterprise Awards 2022 Malaysia on 25 July 2022. I dedicate this award to the Board, Management and employees of Puncak Niaga.



### A COMPREHENSIVE APPROACH TO MANAGING RISKS

In 2022, we continued to manage strategic risks that had an impact on the Group's operations.

Key Result Area	Risk	Mitigation
<b>Environmental</b>		
<b>Ensure the sustainability of Puncak Niaga Group</b>	Climate Action Failure and the Consequential Impact on The Group's Business	<p>Measures include:</p> <ol style="list-style-type: none"> <li>1. Conduct training and continuously promote awareness to Puncak Niaga Group's staff (i.e. First Aid Training, Floor Marshall Training, Fire Drills).</li> <li>2. Establishment and activation of the Emergency Response Team and Health, Safety &amp; Environmental Committee ("HSEC") at Group level and each subsidiary to formulate, review and disseminate safety standards and procedures.</li> <li>3. Installation of a flood gate at the entrance to the basement carpark and purchase of four portable water gate barriers at Wisma Rozali.</li> <li>4. Obtain information on weather and other natural catastrophes from relevant authorities'/ministries' websites.</li> </ol>





## Chairman's Letter To Shareholders

Key Result Area	Risk	Mitigation
<b>Governance</b>		
<b>Driving Operational Excellence</b>	Labour Issues - Shortage of Workers	Measures include: 1. Liaise with Foreign Workers Management and Human Resource Department for recruitment process through proper recruitment and manpower supply agents. 2. Conducive working environment to improve workers' welfare and amenities. 3. To improve workers' quarters monitoring system and regular dialogue. 4. Implementation of semi-mechanization processes at our estates.
	Failure to Meet Target Crop Production Yield	Measures include: 1. Standard Operating Procedures ("SOPs") on best management practises. 2. Create awareness amongst the Management staff. 3. Improving manuring standard via Field Audits. 4. EFB application to improve soil structure and fertilizer leaching losses retention.
	Cyber Security and IT Server Downtime	Measures include: 1. Assess system requirements to understand where the cyber threats originate and provide a guidepost to the types of systems required. 2. Consider investment in Governance, Risk Management & Compliance ("GRC") software or other cyber risk management tools and applied advanced new technologies in Puncak Niaga Group to prevent and protect the information from cyber-attacks. 3. Engage with external IT Consultants to check on any vulnerabilities and active threats in Puncak Niaga's IT network. 4. Periodical Backup Data Information Processes (in a shared folder) via external hard disk.
	Fraud & Bribery	Measures include: 1. All awards of contracts and procurement to be carried out by the Contract & Procurement Department. 2. To establish, monitor, update and propose revisions to the Anti-Corruption Policy and Procedures. 3. To monitor, compile and investigate valid whistleblowing incidences that involve corruption, fraud, false claim, misuse or abuse of power reported to the Integrity Officer ("IO"). 4. Conduct awareness for all employees on Section 17A MACC Act 2018 and on Puncak Niaga's Anti-Corruption Policy and Procedures. 5. To establish clear and comprehensive SOPs including the Whistleblower Protection and Gift Policy. 6. To update and propose revisions to the Whistleblowing Policy, collate and report whistleblowing incidences to the Audit Committee and Board of Directors, if any.

## Chairman's Letter To Shareholders

### OUTLOOK & PROSPECTS

Barring any unforeseen circumstances, we are cautiously optimistic about our future as Malaysia and the world try to balance economic growth with tighter monetary policy. BNM expects the country's economic expansion to moderate to 4.5% in 2023, after recovering strongly from the low-base effect of the pandemic in 2022, as well as in anticipation of moderation in global growth, which in turn will have an impact on Malaysia's exports.

External downside risks to Malaysia's growth remain, arising mainly from ongoing concerns about a recession in the US amid a hawkish Fed, as well as the ongoing Ukraine-Russia conflict and a worsening energy crisis in Europe. Furthermore, surging COVID-19 cases in China could also spark fears about the emergence of new COVID-19 variants or sub variants. Nonetheless, China's policy switch may eventually support growth, going forward.

In addition, the energy and food crises, coupled with extreme summer temperatures, and intense heat waves and droughts across Europe and central and south Asia have provided a taste of a more inhospitable future caused by global climate change, which remind us much action is needed to implement climate policies that will ward off catastrophic climate change.

Against this backdrop, we remain positively motivated to continue to deliver value to our stakeholders, both financially and sustainably. We believe there are opportunities to secure new sizeable projects, especially as the new government revives infrastructure and utility projects in 2023 on the back of a larger Budget 2023, where the construction sector is seen as one of its beneficiaries. Leveraging on the core strengths of Team Puncak Niaga and our proven track record, we are confident in identifying new sources of long-term, sustainable growth for the Group.



### ACKNOWLEDGEMENTS

While the year 2022 was a challenging year, we managed to overcome all obstacles, thanks to the strength and unity of Team Puncak Niaga. I would like to take this opportunity to express my sincere thanks to each and every member of Team Puncak Niaga for your determination and dedication. I would also like to extend my appreciation to our shareholders, business partners and suppliers for your trust and loyalty over the years. Special thanks also go to the Government and the various ministries and government agencies for their continued support and trust in the Puncak Niaga brand.

I would also like to extend a warm welcome to YBhg Tan Sri Dr Madinah binti Mohamad who joined our Board on 1 December 2022 and we look forward to her invaluable insights and contributions to our Board/Board Committees in the year ahead.

Last but not least, my utmost gratitude to my fellow Board members for your invaluable advice and guidance in elevating the Group to greater heights and closer to our goals and aspirations. InsyaAllah, I am confident that the Group and our businesses will remain resilient and be on a stronger footing in the year ahead.

Thank you.

### TAN SRI ROZALI BIN ISMAIL

Executive Chairman  
Puncak Niaga Group

30 March 2023



## Management Discussion & Analysis

# ENVIRONMENTAL ENGINEERING AND CONSTRUCTION





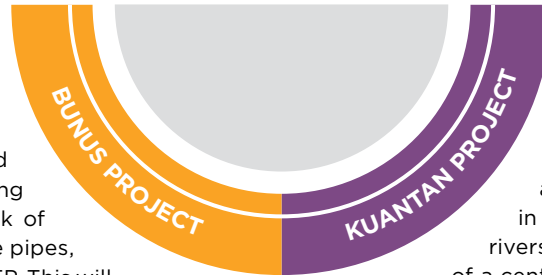
## Management Discussion & Analysis

The Bunus Project, which is valued at RM394 million, aims to rationalise and decommission 78 existing sewage treatment plants (“STPs”) within an area covering approximately 72 sq km. Puncak Niaga Construction Sdn Bhd (“PNCSB”) has been charged with replacing the old STPs by constructing a network of some 54 km of interconnected sewerage pipes, which will run to the centralised Bunus STP. This will result in more efficient wastewater management, lower operational and maintenance costs and a reduction in sources of water pollution. The work areas cover Gombak, Setapak, Air Panas, Taman Melawati, Ampang and Lembah Keramat, which are under the administration of Dewan Bandaraya Kuala Lumpur (“DBKL”) and Majlis Perbandaran Ampang Jaya (“MPAJ”).

**As at end FY2022, we completed almost 48.6 km or 88.20% of the total length, while overall progress reached 91.16%.**

The progress was slightly higher compared to last year due to the efforts made to move forward in the post-pandemic era. We also managed to hand over and were granted the certificate of partial occupational (“CPO”) for three network pumping stations (“NPS”), namely KLR 289, KLR 030 and AMA 162.

Despite the improvement, site issues on interfacing with third parties continued to be a major concern, contributing to idling operations. Third party partners were unable to hand over certain work sites to us in a timely manner due to various issues, and this subsequently impacted our ability to complete our scope of work on time. In FY2022, we were granted a fourth extension of time (“EOT”) until 1 March 2023 to complete the project. However, as issues relating to third parties have yet to be resolved due to reasons beyond our control, on 21 February 2023, PNCSB was granted EOT No. 5 from 1 March 2023 till 22 November 2023 to complete the Bunus Project. The Group will continue to be prudent and cautious in order to maintain profitability from its existing projects while continuing to relentlessly pursue to secure several utilities and infrastructure projects in other states.



The Kuantan Sewerage Project, which is a key project under the 11th Malaysia Plan, aims to increase the coverage ratio of the sewerage services and improve the surrounding environment, including reducing sources of pollution and producing high-quality effluent, which in turn will improve the water quality of rivers. The project involves the construction of a centralised sewage treatment plant (“CSTP”), which will be equipped with green technology and can support a population of 400,000. The CSTP will be linked to a pipeline network running approximately 68 km within the 173 sq km catchment area for Bandar Kuantan and Kempadang in Pahang.

For a contract value of RM463 million, our scope of work also includes the rationalisation and decommissioning of 165 existing multipoint STPs in the area, together with decommissioning works such as desludging, equipment dismantling and making the site safe for the public. In addition, PNCSB will be undertaking the construction of 8 NPS and the routing of the main pumping station for rationalisation work.

In FY2022, the entire project continued to progress well, advancing to 94.66% completion compared to 85.62% in December 2021. The progress for the CSTP was reported at 90.60% completion, mainly attributed to advancements in superstructure works, architecture works, external works and M&E works. Superstructure works at the Clarifier Tank, Chlorine Contact Tank, Chlorine Preparation Room, HT Room, Control Room, Air Blower Room, Anoxic & EA Tanks, Sludge Treatment Facilities and Sludge Holding Tanks were 100% completed. In addition, sinking work for the Raw Sewerage Pumping Station was also completed. The TNB substation that we constructed has been handed over to TNB for connection works, while the installation of the Box Culvert works for the External Effluent Drain to Sungai Soi have been completed. The entire project’s Sewerage Conveyance System of 68 km of pipeline is divided into five geographical zones.

**As of end December 2022, 65.68 km or 97.88% of the total length have been completed. Meanwhile, the construction progress of the 8 NPS is now at 89.84%.**

On 30 March 2023, PNCSB obtained EOT No. 3 from 4 April 2023 till 13 January 2024 to complete the Kuantan Project.



Bunus Project

**91.16%**



Kuantan Project

**94.66%**





ENVIRONMENTAL ENGINEERING  
AND CONSTRUCTION

# BUILDING A SUSTAINABLE FUTURE









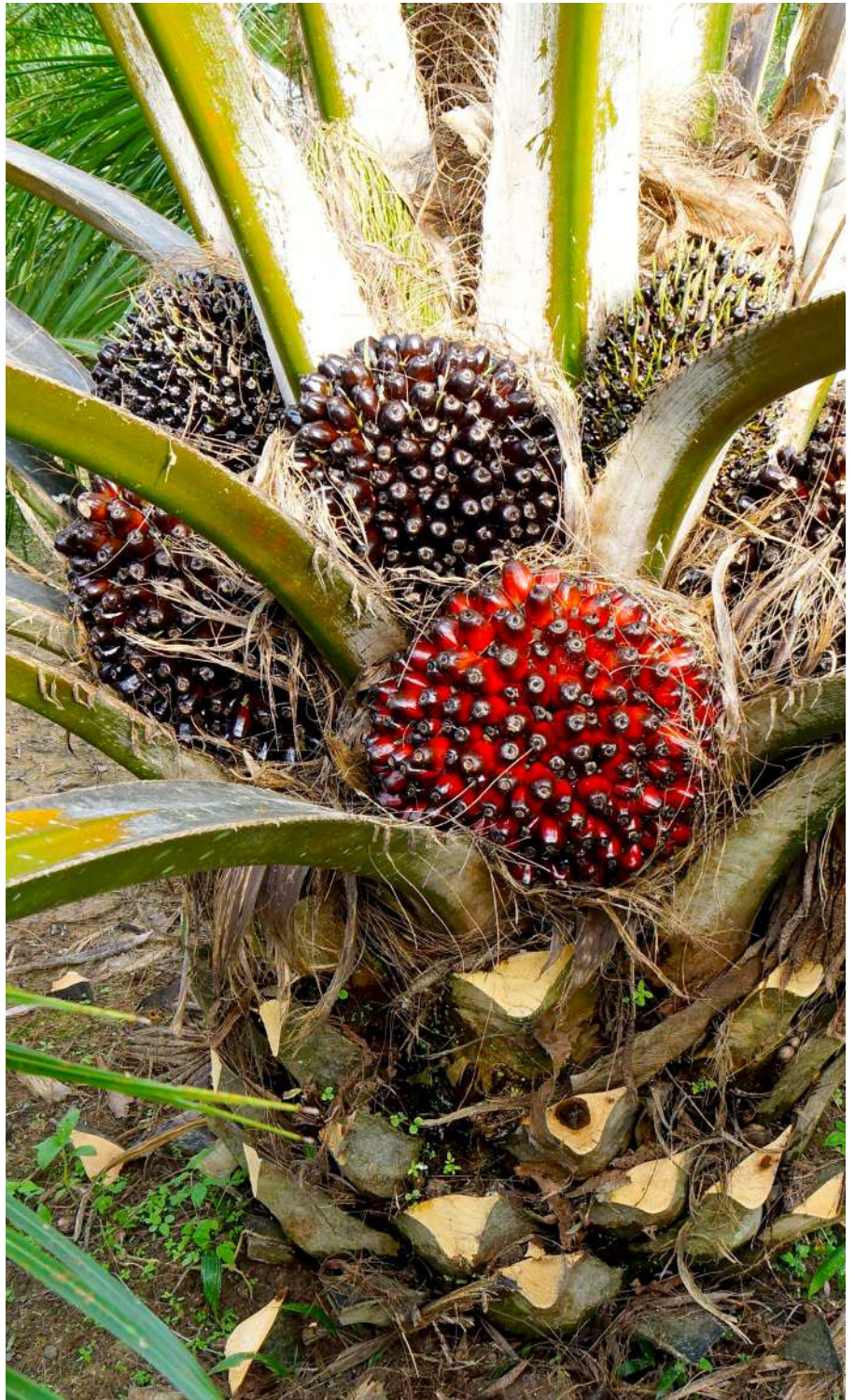
## Management Discussion & Analysis

# PLANTATION

In FY2022, the Plantation segment produced lower fresh fruit bunches (“FFB”) of 46,419 metric tonnes compared to the previous year’s production of 49,952 metric tonnes. The decline was attributed to the shortage of workers over the past two years that affected our FFB production and estate operations like manuring and upkeep, which in turn led to poor palm growth and bunching. Given that the Government has loosened conditions for hiring of foreign workers, we expect the issue of shortage of workers to be resolved, moving forward. While we enhanced workers’ welfare as part of our retention strategy, we have also explored semi-mechanization at our estates and digitalisation to reduce labour dependencies.

Despite lower production during the year under review, revenue was higher at RM41.744 million versus RM41.235 million recorded in 2021. This was attributed to CPO prices in 2022 ranging between RM3,000/tonne – RM7,000/tonne. According to the Malaysian Palm Oil Board, the highest recorded monthly average CPO price was RM6,873.00 in May 2022 and the year ended with an average price of RM3,682 per tonne in December 2022, as compared to 2021 where the highest recorded monthly average CPO price was only RM5,345.00 in November 2021.

Danum Sinar continued with efforts to improve operational efficiency and undertook productivity initiatives to mitigate the impact of the labour constraints on our output.





## Management Discussion & Analysis

### KEY FOCUS AREAS IN 2022

Post-pandemic, the plantation industry is still recovering from the after-effects of the prolonged lockdowns and border restrictions that led to labour shortages, declining production and falling inventory levels as demand surpassed supply. On the back of this, we implemented the following measures to improve FFB yield and operational efficiency in meeting the FFB production target for FY2022:

**Sufficient and timely fertilizer applications to recover from nutrient stress**

**Continuous improvement on road & bridges**

**Full recoveries from inaccessible areas**

**Securing sufficient estate workers for harvesting and retention plan**

**Improve efficiency via effective supervision**

### Sustainable Palm Oil Production

The incorporation of MSPO principles into our business culture has been key to maintaining our Malaysian Sustainable Palm Oil ("MSPO") certification, which we obtained in 2019. We have continued to implement policies and practices that are in line with the MSPO certification such as:

- Zero-burning policy
- Prohibition on hunting of wildlife
- Planting of the *Mucuna Bracteata* plant to provide nitrogen fixation, manage weed growth, conserve soil and reduce chemical usage
- Engagement of an independent consultant to monitor flora and fauna conservation, soil erosion and slope stability, hydrology management, water and air pollution, waste management disposal, workers' health and safety, agrochemical management and road traffic and safety

In the year under review, total FFB production fell by 4.9% in line with the average yield that declined by about 8% to 4.8 MT/Ha as a result of the labour constraints. The average oil extraction rate was slightly lower at 17% versus 17.7% previously.

### Danum Sinar Sdn Bhd's Estate in Bintulu, Sarawak

Item	FY2021	FY2022
Total FFB Production (MT)	49,952	46,419
FFB Average Yield (MT/Ha)	5.17	4.74
Average Oil Extraction Rate (%)	17.67%	17.0%
Development of New Planting Area (Ha)	-	-
Mature Area (Ha)	9,663	9,794
Immature Area (Ha)	2,378	2,247
Unplanted Portion (Ha)	30,906	30,906
Total Developed Area (Ha)	12,040	12,041
Total Area (Ha)	42,950	42,950

### The Group's Estate in Puncak Alam, Selangor

Item	FY2021	FY2022
Total FFB Production (MT)	752.68	1,076.62
FFB Average Yield (MT/Ha)	8.20	11.73
Average Oil Extraction Rate (%)	16%	16%

**Note:** The contribution from the Group's Estate in Puncak Alam, Selangor is insignificant to the Group's revenue.



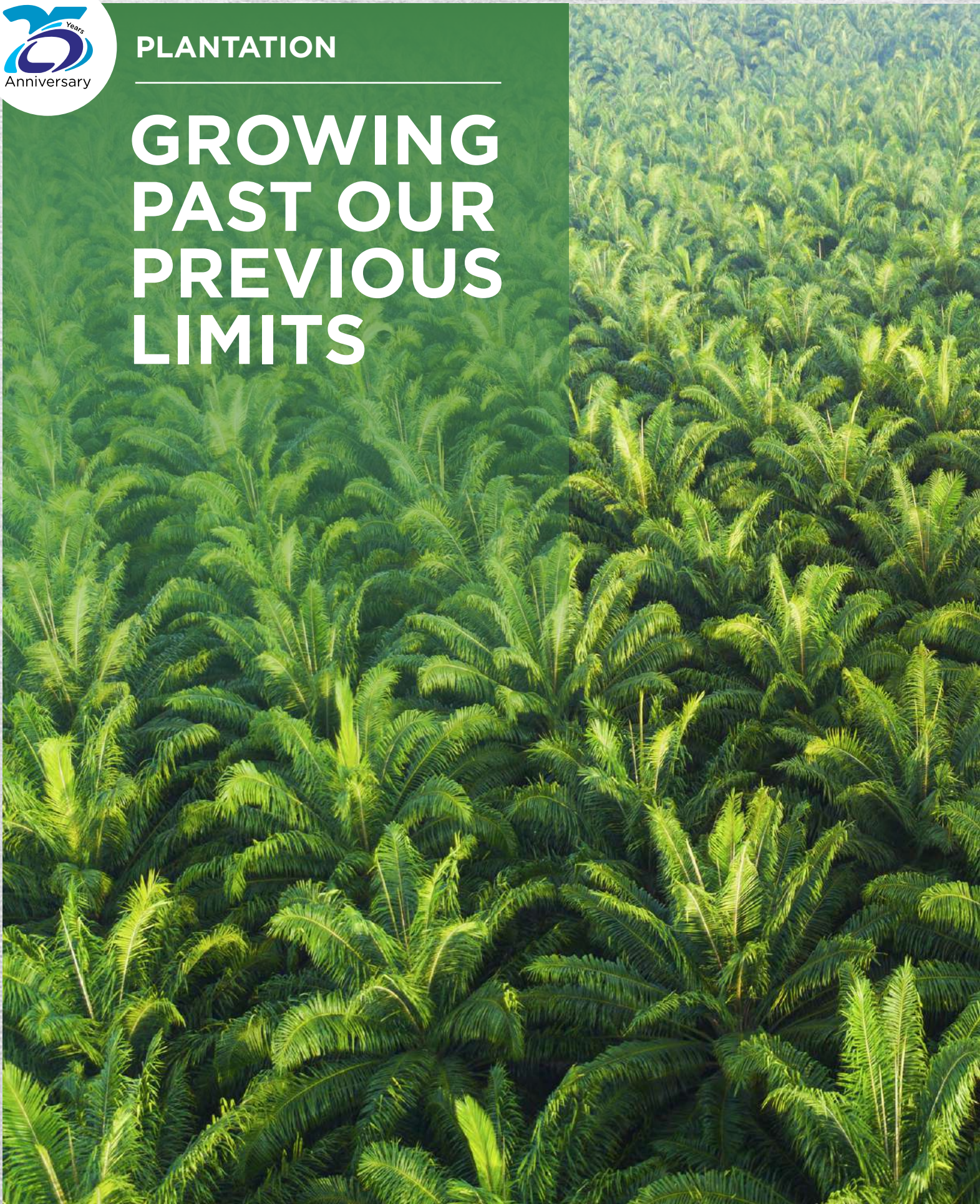




PLANTATION

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# GROWING PAST OUR PREVIOUS LIMITS









## Management Discussion & Analysis

# CONCESSION AND FACILITIES MANAGEMENT

Our Concession and Facilities Management segment is operated by TRIpIc Berhad Group of Companies, which holds two concession agreements for the UiTM campus at Puncak Alam, Selangor.

Revenue

FY2022

**RM124.132  
million**

Profit before tax

FY2022

**RM34.211  
million**



## Management Discussion & Analysis

The first is the 23-year Zone 1 Phase 2 (“Z1P2”) Concession Agreement, which has been undertaken by TRIpIc Ventures Sdn Bhd (“TVSB”) since 2010. The Z1P2 Concession covers the management of completed assets with an expiry date in April 2034.

The second is the 25-year Zone 1 Phase 3 (“Z1P3”) Concession Agreement held by TRIpIc Medical Sdn Bhd (“TMSB”), which was awarded in February 2016. It involves the construction of the Z1P3 Teaching Hospital Project. On 1 February 2021, TMSB commenced the Asset Management Services phase of the Concession Agreement following the issuance of the certificate of acceptance by UiTM. The concession is set to expire in January 2043.

As both concessions were identified as ‘essential services’ during the lockdowns, they were allowed to continue their operations.

### Z1P2 CONCESSION

In FY2022, we continued to make improvements in our standards of services at the Z1P2 Concession extending a positive trend that began 4 years ago by maintaining excellent standards of services. As a result, our performance KPI exceeded the agreed score on 93%, registering an average score of 99.76% for the year. The demerit points and deductions recorded in 2022 are as follows:-

- 1 **Demerits for the year under review stood at 18 points, which was a slight increase from FY2021.**
- 2 **Deductions, meanwhile, amounted to RM491.35, slightly higher than RM269.51 in the previous year.**

Our annual customer satisfaction survey in FY2022, which polled 650 participants at UiTM for feedback on our services, was also very encouraging, with 96.15% of the respondents indicating their satisfaction with our performance. This was an improvement over the 95% achieved in 2021.

During the year under review, Z1P2 was also awarded the MSOSH OSH Gold Class 1 Award Winner 2022 for our good occupational, safety and health (“OSH”) performance, which we will strive to improve, going forward.

### Z1P3 CONCESSION

Following the handover of the completed facilities to UiTM in February 2021, we commenced our Asset Management Services as part of the Z1P3 Concession.

Our services are provided through 7 different departments, to meet the wider needs of the healthcare provider. We have made improvement through some of the departments but fell short at 3 departments, namely Facilities Management Services, Healthcare Waste Management Services, and Linen and Laundry Services, causing the overall KPI achievement for FY2022 declined to 92.39%. Below is the table depicting the performance of the various departments:

#### Department & Responsibilities

##### Facilities Management Services (“FMS”)

Management and coordination of hospital support, including manpower management, resource centre, helpdesk, training, audits and assessments, among many other responsibilities.

##### 2022 KPI Performance

**94.90%** 2021: 95.45%

##### Facilities Engineering Management Services (“FEMS”)

Building engineering service and maintenance, including technical consultancy and advisory services.

##### 2022 KPI Performance

**99.62%** 2021: 95.45%

##### Biomedical Engineering Maintenance Services (“BEMS”)

Medical and non-medical equipment service and maintenance.

##### 2022 KPI Performance

**99.53%** 2021: 94.95%

##### Information and Communications Technology (“ICT”)

Provision of the communications and technological tools required for the smooth operation of the hospital.

##### 2022 KPI Performance

**98.88%** 2021: 95.82%



## Management Discussion & Analysis

### Department & Responsibilities

#### Cleansing Services (“CLS”)

Provision of cleaning services and cleaning supplies and consumables.

#### 2022 KPI Performance

**99.99%** 2021: 90.82%

#### Healthcare Waste Management Services (“HWMS”)

Provision of clinical waste management services and scheduled waste collection and storage.

#### 2022 KPI Performance

**82.75%** 2021: 95.45%

#### Linen and Laundry Services (“LLS”)

Linen inventory, delivery and processing management.

#### 2022 KPI Performance

**74.84%** 2021: 85.41%

In the annual customer satisfaction survey held in August 2022, where 69 respondents participated, we achieved a quality objective of 93.62%, way above the minimum target of 80%. It is a positive indication that our rendered services have met the expectations of our stakeholders.

### ASSET MANAGEMENT SERVICES



#### FMS

- Management and coordination
- Privatised Hospital Support Services consist of the FEMS, BEMS, LLS, HWMS, CLS and ICT
- Asset management
- Quality, Safety, Security & Environment
- Audit & Assessment
- Outsourced Management
- Manpower Management
- Resource Centre
- Helpdesk Service
- Training & Competency



#### BEMS

- Medical Equipment & Non Medical Equipment Service & Maintenance (PM, CM & Assessment)
  - Imaging & Radiology Equipment (MRI, CT Scan, Angio, C Arm Mammogram, etc.)
  - Therapeutic (Hydrotherapy pool, Phototherapy, Gymnasium etc.)
  - Life Support (Ventilator, Patient Monitoring System, General Anaesthetic etc.)
  - Diagnostic (Ultrasound, Defibrillator etc.)
  - Laboratory Analyzer



#### FEMS

- Building Engineering Service & Maintenance (PPM, CM, Assessment)
  - Building Automation
  - HVAC System
  - Lift Services
  - Lightning and Fire Protection
  - Medical Gases Pipeline System
  - Pneumatic Tube System
  - Hot & Cold Water System
  - Clean Room
  - LPG/LNG
  - Electrical System (HT/LV, ELV)
  - Ground Maintenance and Landscaping
  - Pest Control
  - Façade & Structure
- Technical Consultancy & Advisory Services



#### HWMS

- Clinical Waste Collection and Storage
- Other Scheduled Waste Collection and Storage
- Hygienic and Infectious Control Management
- Spillage Management



#### LLS

- Linen Inventory Management
  - Linen Supply in accordance to Client specification
  - Linen Rental
  - Linen Loss and Condemnation Management
  - Linen Replacement
- Linen Delivery Management
- Linen Processing Management



#### CLS

- General and Specialized Area
  - Hygienic and Infectious Control Management
  - External Façade Cleaning
  - Spillage Management
  - Waste Collection and Storage
  - Toilet Demand Inspection System
- Provision of Cleaning Supplies & Consumables



#### Sustainability Programme

- Energy Management
- Solar Energy
- Energy Performance Contracting
- Green Building Delivery
- Reduce, Reuse, Recycle & Recover (4R)
- Indoor Air Quality
- Rain Water Harvesting
- Green & Sustainable Certification

## Management Discussion & Analysis

### OUTLOOK AND PROSPECTS

According to the International Monetary Fund, global economic growth is anticipated to slow down at 2.9% in 2023, due mainly to tighter monetary policy in response to elevated inflation, the impact of the conflict in Ukraine, and the ongoing impact of pandemic-related lockdowns and supply chain disruptions. Although prices for major building materials are showing signs of cooling down, these costs remain relatively high compared to a year ago.

On the back of global economic headwinds, Malaysia's economy is expected to grow moderately, supported by domestic consumer spending. The development spending under the recently announced Budget 2023 is higher than Budget 2022, which would bode well for small and mid-size construction players. We anticipate that the newly elected government will revive infrastructure projects to buffer the impact of external pressures, which would provide opportunities for our Environmental Engineering and Construction segment. While we focus on completing the Bunus and Kuantan Projects according to the new EOT, we will also continue to relentlessly pursue new opportunities to develop utilities or infrastructure projects in other states.

The plantation sector does not appear too compelling at the moment due to lack of significant catalysts in sight. Global CPO prices are not expected to see any rally soon whilst the local palm oil industry is facing, amongst others, labour shortage, erratic weather patterns brought on especially by the La Nina phenomenon

that could affect crop productivity, the price threshold reviews of sales and service tax ("SST") and the windfall profit levy ("WPL") imposed by the federal and state governments, as well as competition from Indonesia. Nevertheless, global demand is expected to remain strong in 2023, which would help to buffer the industry's downside risks. While labour supply remains a challenge due to the prolonged onboarding process, the Group aims to focus on mitigating the shortage via the retention of existing workers, improving harvesters' productivity and expediting the recruitment process of the new intake of foreign workers.

For the Concession and Facilities Management segment, we will continue to fulfil our obligations under the maintenance services of the ZIP2 Concession Agreement and the Asset Management Services of the ZIP3 Concession Agreement to the best of our abilities. Our foray into the healthcare and healthcare services sector has proved to be successful, and opened new and exciting opportunities of long-term sustainable growth for the Group. In FY2022, we were appointed by UiTM to supply additional medical equipment for Hospital Al-Sultan Abdullah UiTM worth RM44.1 million. The 40 months' supply contract commenced on 1 July 2022 and will continue until 31 October 2025. Leveraging on our track record in delivering ZIP3, we will adopt a similar approach to build and manage other teaching hospitals under the Ministry of Higher Education, as well as participating in tenders for new hospitals by the Ministry of Health.







CONCESSION AND FACILITIES  
MANAGEMENT

# ESTABLISHING A STRONGER FOUNDATION FOR OUR NATION







## Sustainability Statement

### Supporting UN SDGs

The United Nations Sustainable Development Goals ("UN SDGs"), also known as the Global Goals, is a universal call to action to protect the planet and ensure that everyone enjoys peace and prosperity by 2030. Malaysia together with other world leaders adopted the 2030 Agenda at the United Nations General Assembly in New York on 25 September 2015. This is a global commitment towards a more sustainable, resilient and inclusive development, with 17 Sustainable Development Goals ("SDGs") and 169 targets. The 2030 Agenda has been shaped by relevant United Nations ("UN") agreements and conventions as well as the experiences and achievements gained through the Millennium Development Goals ("MDGs"), the global development agenda spanning the period 2000–2015.

### Alignment and Contribution



# SUSTAINABLE VALUE CREATION



### GENERATING SUSTAINABLE VALUE

At Puncak Niaga Holdings Berhad ("Puncak Niaga" or "the Group"), we are led by sustainability in all that we do. We strive to strike a balance between creating long-lasting positive impacts on our stakeholders and generating profit for long term sustainable growth while minimising any negative impacts from our operations.

To ensure continuous value creation, we uphold good corporate governance and embed sustainability practices within our business management and operations across the Group. We remain guided by the Group's governance policies and frameworks to deliver on our sustainability agenda, which aims to:

- 1 **Minimise our business impact on the environment**
- 2 **Create sustainable long term socioeconomic value for the benefit of communities living within the footprint of our operations**
- 3 **Engender long term benefits for our stakeholder groups**



## Sustainability Statement



### SCOPE & REPORTING FRAMEWORKS

This Sustainability Statement communicates the Group's Economic, Environmental and Social ("EES") impacts and describes our sustainability initiatives in our value creation journey. It has been benchmarked against best reporting practices and prepared with reference to local and international reporting frameworks, namely:

- ▶ **Global Reporting Initiative ("GRI") Standards: Core Option**
- ▶ **Main Market Listing Requirements of Bursa Malaysia Securities Berhad**
- ▶ **Bursa Malaysia's Sustainability Reporting Guide (2nd Edition)**

The scope of reporting for this Sustainability Statement is the same as the scope of our Annual Report 2022. Although our supplier activities are not within the Group's control and have been excluded from this Sustainability Statement, this Sustainability Statement covers the Group's efforts and initiatives towards building a sustainable supply chain.

### SUSTAINABILITY GOVERNANCE

Puncak Niaga's sustainability is governed by the Board of Directors ("Board"), who hold ultimate responsibility on sustainability policies and matters. The Board also oversees risk management policies and structures within the Group. Our sustainability governance is guided by the Group's comprehensive frameworks and structures that set out robust guidelines for reporting and upholding accountability in decision making and delivering on the Group's sustainability agenda.

Leading the management and implementation of sustainability practices within the organisation, the Group ensures the integration of sustainability across our business operations. As such, we have been able to deliver on our goals and targets, keeping track of our EES performance to generate long-lasting positive impacts and create value for our stakeholders and the organisation.

Our value creation journey is also supported by the Group's Risk Management Policy, which ensures that every employee is responsible for the risk management of their roles and functions. Ultimately, we aim to contribute to the sustainable growth of the Group while ensuring our people, business partners and the community continue to thrive and grow with us.

## Sustainability Statement

### PUBLIC POLICY

To demonstrate good corporate responsibility, we strive to uphold the highest standards of corporate governance by safeguarding ethics and integrity across all our business segments. At Group level, we have in place a Code of Conduct that guides our employees in maintaining high standards of ethics and integrity when carrying out their duties. Puncak Niaga's principles of ethics and integrity are also cascaded down to all business units and embedded in our business conducts. Every business unit is guided by their own codes of conduct and policies which complement our PUNCAK Values.

We are guided by the following Codes and Policies within the Group:

#### PUNCAK NIAGA HOLDINGS BERHAD

- Board Charter
- Code of Conduct – Board of Directors
- Board Diversity Policy
- Directors' Remuneration Policy
- Directors' Fit and Proper Policy
- Standard Operating Procedures
- Corporate Disclosure Policy
- Information Technology Policies (Software License Policy, IT Security Policy and Copying Software Statement)
- Investor Relations Policy
- Health, Safety and Environmental ("HSE") Policy
- Quality Policy
- Risk Management Policy
- Sexual Harassment Policy
- Diversity Policy
- Whistleblowing Policy
- Whistleblower Protection
- Gift Policy
- Corporate Social Responsibility Policy
- Code of Conduct – Employees
- No Smoking Policy
- Energy Management Policy
- Puncak Niaga's Employee Handbook
- Code of Business Ethics
- Corporate Sustainability Policy
- Limits of Authority Policy
- Puncak Niaga's Anti Corruption Policy and Procedures
- Policy on Reporting of Beneficial Ownership of Shares in the Company

#### PUNCAK NIAGA CONSTRUCTION SDN BHD ("PNCB")

- Integrated Management System (ISO 9001:2015; ISO 14001:2015 and OHSAS 18001:2007)
- HSE Policy Statement
- HSE Manual
- HSE Procedure
- Water Quality Policy
- Emergency Response Plan and Intervention Procedures for WTP
- `5S` Housekeeping Procedures
- Water Treatment Plant's Operation And Maintenance Manual
- Back Parking Policy at WTP
- Zero Accident Policy at WTP
- `Right First Time Every Time` Work Culture at WTP
- `Kawasan Larangan. Tempat Larangan` Procedures for WTP

#### MURNI ESTATE SDN BHD ("MESB")

- MESB and Subsidiaries Employee Handbook
- Agricultural Reference Manual ("ARM")
- Malaysian Sustainable Palm Oil ("MSPO") Policy
- Occupational Safety and Health ("OSH") Policy Manual

#### DANAU SEMESTA SDN BHD

- MESB and Subsidiaries Employee Handbook

#### DANUM SINAR SDN BHD

- MESB and Subsidiaries Employee Handbook
- Agriculture Reference Manual ("ARM")
- Malaysian Sustainable Palm Oil ("MSPO") Policy
- Occupational Safety and Health ("OSH") Policy Manual

#### TRIPLC BERHAD

- Standard Operating Procedures
- HSE Policy
- Quality Policy
- QHSE Policy
- Drug and Alcohol Policy



## Sustainability Statement

### STAKEHOLDER ENGAGEMENT



Engaging with stakeholders allows us to communicate with the various groups or parties who can impact or be impacted by Puncak Niaga's business decisions and activities. We constantly engage with our stakeholders through various channels and platforms to identify and respond to their needs and concerns. Our key stakeholder groups include our employees, investors, local communities, civil society, government, media and suppliers.

The following table explains our stakeholder engagement activities in 2022:



#### Employees

Method of Engagement	2022 Highlights
<ul style="list-style-type: none"> <li>Townhall meetings</li> <li>Recreational activities</li> <li>Employee assemblies and meetings</li> <li>Annual performance reviews</li> <li>Staff WhatsApp</li> <li>EPintas - Puncak Niaga's Intranet Portal</li> </ul>	<p><b>Engaging with Our Employees</b></p> <ul style="list-style-type: none"> <li>Puncak Niaga celebrated its 25th Year Anniversary with its employees and families with a range of activities to celebrate the special occasion</li> <li>Awarded 141 employees with Long Service Awards in recognition of their long service tenure in our Group</li> <li>Conducted a Group-wide Employee Engagement Survey on ESG and Sustainability in 2022</li> </ul> <p><b>Employee Performance Reviews</b></p> <ul style="list-style-type: none"> <li>In 2022, 100% of our employees received regular performance reviews</li> </ul>



#### Investors

Method of Engagement	2022 Highlights
<ul style="list-style-type: none"> <li>Email</li> <li>Corporate website</li> </ul>	<ul style="list-style-type: none"> <li>Responded to queries from investors and analysts promptly</li> </ul>

## Sustainability Statement

### STAKEHOLDER ENGAGEMENT



#### Local Communities

Method of Engagement	2022 Highlights
<ul style="list-style-type: none"> <li>Townhall meetings</li> <li>Community Development Programmes</li> </ul>	<p><b>Supporting Local Indigenous Communities</b></p> <ul style="list-style-type: none"> <li>Job/Business Opportunities – Jobs were offered to the local community, enabling them to earn a living as paid workers and staff members as well as engaging local contractors and suppliers</li> <li>Upskilling Opportunities – Training was provided to increase the capacities of the locals (e.g. harvesters, lorry drivers, field operators, etc.), improving the operational efficiency of our estates</li> <li>Upgrading Accessibility of Roads – Efforts were made to improve the roads across our estates to provide easy access to employees and local communities</li> <li>Providing Medical Aid – Medical services and support is readily given to workers at our estate medical centre, which is equipped with an ambulance that is deployed for emergencies whenever required</li> <li>Improving Facilities and Transportation – Transport shuttle services are provided for our local workers to transport them to their longhouse settlements during the weekends</li> <li>Respecting Local Cultures – Food and monetary donations are given to longhouse communities during festive celebrations</li> </ul> <p><b>Community Development Initiatives</b></p> <ul style="list-style-type: none"> <li>Invested RM684,000.00 in community initiatives, supporting NGO's and universities</li> </ul> <p><b>PEKA</b></p> <ul style="list-style-type: none"> <li>Program Infaq Ramadhan: Financial donation to 7 Asnaf and Fakir families living in Sungai Besar, Gedangsa and Cheras</li> </ul> <p><b>Z1P2</b></p> <ul style="list-style-type: none"> <li>Sponsored 2 television sets to Surau Ibnu Sina, UiTM Campus</li> <li>Carried out 33 sanitisation works across UiTM buildings in 2022</li> </ul> <p><b>Z1P3</b></p> <ul style="list-style-type: none"> <li>Collaborated in contribution for Ihya' Ramadhan, Nuzul Al-Quran and Rewang and Bubur Lambuk</li> <li>Collaborated in Program Maulidur Rasul</li> <li>Installed 1 unit of Indoor Full Colour LED Display System and stainless-steel signage for inauguration ceremony</li> <li>Donated funds to Bantuan Banjir Hospital Al-Sultan Abdullah</li> </ul> <p><b>Danum Sinar Sdn Bhd</b></p> <ul style="list-style-type: none"> <li>Provided school supplies and educational aids to 30 estate children</li> <li>Organised a COVID-19 Vaccination Programme for workers and communities</li> <li>Monetary and food donations to local communities during Hari Raya, Ramadhan and Hari Gawai</li> <li>Contributed funds to Al-Quran, Ramadhan and supplied food for 'Majlis Berbuka Puasa' within the estates</li> <li>Supported the construction of new mosques at Marong 1 &amp; 2 estates</li> <li>Organised 'Hari Keluarga' for communities in Jabon Estate</li> <li>Executed a CSR Programme on Self-Sufficient Farming in Arau</li> </ul> <p><b>PNCSB</b> Kuantan Project</p> <ul style="list-style-type: none"> <li>Donated supplies to 'Rejimen 505 Askar Wataniah Kem Force 136'</li> <li>Made financial contributions to Sekolah Menengah Kebangsaan Sultan Abu Bakar ("SABS") and Sekolah Menengah Kebangsaan Abdul Rahman Talib ("SMART")</li> </ul>



#### Civil Society

Method of Engagement	2022 Highlights
<ul style="list-style-type: none"> <li>Community Development Programmes</li> <li>Press Releases</li> <li>Meetings</li> </ul>	<ul style="list-style-type: none"> <li>Corporate Social Responsibility ("CSR") Activities</li> </ul>



## Sustainability Statement



### Government

Method of Engagement	2022 Highlights
<ul style="list-style-type: none"> <li>Meetings and events</li> </ul>	<b>Community Development Programmes</b> <ul style="list-style-type: none"> <li>Regular meetings and briefings</li> <li>Friendly site visit to MPOB Office</li> <li>Courtesy field visit in our estates by MPOB officers</li> <li>Site visits to D44 Project and Kuantan Project</li> </ul>



### Media

Method of Engagement	2022 Highlights
<ul style="list-style-type: none"> <li>Community development programmes</li> <li>Press releases</li> <li>Advertising</li> </ul>	<ul style="list-style-type: none"> <li>Regular meetings</li> </ul>



### Suppliers

Method of Engagement	2022 Highlights
<ul style="list-style-type: none"> <li>Supplier evaluations</li> </ul>	<ul style="list-style-type: none"> <li>A transparent platform for evaluation of suppliers</li> </ul>

### MATERIALITY

Material matters are issues that matter most to our business and stakeholders. Identifying our material matters will enable us to mitigate risks and recognise opportunities for long term sustainable growth. In 2022, we conducted a materiality assessment and identified 17 material matters across the EES pillars. Our sustainability performance is reported across this Sustainability Statement and embedded throughout this Annual Report 2022, demonstrating our efforts to continue to create sustainable value for our stakeholders. We will assess our material matters from time to time to adapt to the rapidly evolving business landscape and meet the needs of our stakeholders. Our material matters are:

#### Economic

- Creating Economic Value

#### Environmental

- Conserving Biodiversity
- Practising Responsible Environmental Management in Our Construction Projects
- Ensuring Sustainable Palm Oil Production
- Energy Management
- Noise Management
- Water Management
- Our Internal Environmental Footprint - Workplace
- Waste Management Practices

#### Social

- Our Employees
- Workplace Diversity
- A Commitment to Training
- Occupational Health and Safety
- Human Rights
- Benefits and Compensation
- Performance and Appraisal
- Value to Our Communities

## Sustainability Statement

# CREATING ECONOMIC VALUE



The Group seeks to generate long-term value through our various business undertakings for the benefit of our company, our communities and our nation. In 2022, we focused on growing our economic contributions via our key projects and business segments – Package D44 of the Bunus Project (“Bunus Project”) in Kuala Lumpur, the Kuantan Project, our Plantation Division and our Concession and Facilities Management Division.

### BUNUS PROJECT

The Bunus Project is part of a river cleansing initiative under the Greater Kuala Lumpur River of Life project, which aims to revitalise the areas surrounding the Sungai Klang to increase vibrancy and boost tourism. Package D44 of the Bunus Project is an intricate network and covered approximately 72 sq km of sewer pipes established within the Sungai Bunus catchment area.

Managed by PNCSB, the RM394 million Bunus Project includes the decommissioning of 73 old Sewage Treatment Plants (“STPs”) which are to be demolished, while raw sewage will flow in and will be treated at Bunus Centralised Sewage Treatment Plant (“Bunus CSTP”). The Bunus CSTP is designed with the latest infrastructure and facilities in accordance with stringent effluent regulatory requirements.

The sewage pipe network is designed to complement and integrate seamlessly with the new centralised treatment facility. This will enable the sewerage operator company to minimise operational and maintenance costs and reduce sources of water pollution to lower the impact to the environment.

These new amenities will improve the quality of water flowing along Sungai Bunus and Sungai Klang, benefitting the residents and visitors living in the surrounding areas of Setapak, Ampang, Melawati, AU Keramat and Dato Keramat. In fact, these neighbouring communities will have more to gain, as the land that the decommissioned STPs are built on will be handed over to the Government for further development. As of 31 December 2022, we have achieved 91.16% completion of our Bunus Project.



## Sustainability Statement

### KUANTAN PROJECT

The Kuantan Project is another construction project managed by PNCSB, located in Kuantan and Kempadang. The project is part of the 11th Malaysia Plan implemented by the Sewerage Services Department ("JPP"), overseen by the Ministry of Environment and Water. One of the important objectives of the project is to extend the coverage ratio of sewerage services to nearby areas, enhancing the attributes of effluents released to improve the water quality of rivers around the area.

The project also aims to develop a Centralised Sewage Treatment Plant ("CSTP") at Tanjung Lumpur with an Extended Aeration ("EA") system, constructing approximately 66 km of sewerage pipework and 8 network pumping stations. The CTSP will further necessitate the decommissioning of 165 multi-point sewage treatment plants and will be fitted with the latest green technologies to reduce operational and maintenance costs, to support sustainability and environmentally friendly water treatment practices. Efforts are made to ensure that the CTSP will meet the requirements in Category 1 of the Environmental Quality Act 1974 and the conditions set forth in Standard A effluents stipulated in the Second Schedule (Regulation 7) of the Environmental Quality (Sewage) Regulations 2009.

The completion of the Kuantan Project will enable the sewage inflow of approximately 200,000 population equivalent ("PE") from a total catchment area of about 172.59 sq km in the areas around Bandar Kuantan and Kempadang. This will effectively reduce any potential environmental pollution caused by water effluents and preserve the surrounding natural water sources. As of December 2022, we have managed to achieve 94.66% completion of the project.

The Kuantan and Bonus Projects have enabled us to contribute to the local economy as we have recruited locals and engaged Small and Medium Sized Enterprises as vendors and suppliers:

	2020	2021	2022
Jobs Created (Contract Workers)	315	315	<b>369</b>
Local Small and Medium Sized Enterprises (as Vendors/Suppliers)	40	40	<b>56</b>

### PLANTATION DIVISION

Our Plantation Division is operated by Danum Sinar Sdn Bhd ("Danum Sinar"), which has developed a total land area of 12,041 hectares (28%) out of 42,950 hectares of plantation land across our estates, as of 31 December 2022. The developed plantation lands are divided into 6 estates: Arau, Lakin, Kalayan, Marong 1, Marong 2 and Jabon.

The geographical landscape of our estates includes undulating hills, flat lands and various rivers which flow across the hills of Murum Highlands. Danum Sinar maintained its focus on the upkeep of its facilities while improving its amenities, to enhance the lives of communities living and working on our estates. We have refurbished the workers' quarters, improved roads and bridges within the estates and enhanced estate logistics and overall management. The telecommunications in the estates have also been upgraded to Very Small Aperture Terminals ("VSATS") and ConnectMe broadband services that are made available at each estate.

Since the commencement of our operations in July 2017, we have provided work opportunities for locals and indigenous communities. We have also extended business opportunities to local SMEs. The following details the jobs created in our Plantation Division:

Jobs Created	2020	2021	2022
Local Indigenous Community (Penan only)	181 (17%)	171 (22%)	<b>176 (19%)</b>
Malaysian employees (Excluding Penan)	132 (13%)	119 (16%)	<b>31 (3%)</b>
Foreign workers	723 (70%)	474 (62%)	<b>713 (78%)</b>
<b>Total</b>	<b>1,036 (100%)</b>	<b>764 (100%)</b>	<b>920 (100%)</b>



## Sustainability Statement



### CONCESSION AND FACILITIES MANAGEMENT DIVISION

The Concession and Facilities Management Division is operated by TRIpIc Berhad Group (“TRIpIc”), which holds 2 separate concession agreements with Universiti Teknologi MARA (“UiTM”) Puncak Alam Campus in Selangor.

The first concession agreement covers Zone 1 Phase 2 (“Z1P2”) of the UiTM campus and includes the planning, finance, design, development, construction, landscaping, equipping, installation, completion, testing and commissioning of facilities and infrastructure, as well as ongoing maintenance of all facilities within Z1P2. As per the concession agreement, the three year-long construction of the facilities was completed in March 2014, which saw the addition of several facilities and infrastructure across its 45.71 acre site including academic facilities, students’ accommodations and facilities for 5,000 students living on campus. Meanwhile, the maintenance works contract which began on 11 April 2014 is set to continue for the next 20 years until its completion on 10 April 2034.

The second concession agreement undertaken by TRIpIc involves Zone 1 Phase 3 (“Z1P3”) of the UiTM Campus, which features a teaching hospital equipped with academic facilities, accommodation and amenities. The agreement covers the planning, finance, design, development, commissioning of the facilities and infrastructure, and provision of asset management services upon completion. The construction of the project was completed in December 2020 and the Hospital UiTM Puncak Alam was handed over to UiTM on 1 February 2021 after it obtained the Certificate of Acceptance. Since then, asset management services have taken over for the next 22 years until the contract is fulfilled in 31 January 2043.

Both these Z1P2 and Z1P3 UiTM concession agreements have enabled the Group to contribute its support to the nation. We are more than pleased to support the advancement of higher learning institutions, as well as the development of healthcare and healthcare services which has generated more jobs for Malaysians.

As per the terms outlined in the Z1P2 concession agreement, improvements on the project will be made based on findings compiled from our annual customer satisfaction survey.

#### Customer Satisfaction Survey

In 2022, the survey for Z1P2 was conducted in December 2022, where feedback was obtained from 650 participants which comprised staff, students and visitors on a broad range of categories including building facilities, infrastructure, construction works and overall management and maintenance.

Our 2022 survey for Z1P2 received a KPI Maintenance Customer Service Rating of 96.15%, with a large majority of respondents (49.8%) indicating they are satisfied with our performance. From the survey, our results have exceeded the minimum target of 80% and have also increased in comparison to last year’s score which was 95%.

Incidentally, this marks the 8th consecutive year that we have successfully improved on our annual customer satisfaction survey score for Z1P2. Moving forward, we will work on areas that need improvement, such as the WiFi service which was deemed unsatisfactory according to 74 respondents.



## Sustainability Statement

As for Z1P3, the customer satisfaction survey was conducted in August 2022, where 69 respondents participated. We achieved a quality objective of 93.62%, way above the minimum target of 80%. It is a positive indication that our rendered services have met the expectations of our stakeholders.

### OUR INFRASTRUCTURE AND FACILITIES AT UiTM PUNCAK ALAM CAMPUS

#### PHASE 2 (Z1P2)

##### Academic facilities

- Faculty of Accountancy
- Faculty of Business Management
- Faculty of Hotel Management and Tourism
- Shared facilities

##### Student accommodations

- Hostel accommodation for 2,500 students
- 10 units of fellow accommodations

##### Centralised facilities

- Multipurpose hall
- Maintenance centre
- Surau
- Library
- Student centre
- Cafeteria
- Health centre

#### PHASE 3 (Z1P3)

##### Teaching hospital and medical academic centre facilities

- A 10-storey teaching hospital with 400 hospital beds
- Academic facilities for 750 students
- Forensic and Mortuary Block

##### Accommodation facilities for the following:

- 78 Housemen
- 144 Nurses
- 6 Sisters (hospital staff)
- 1 Housekeeper

##### Other facilities

- Surau with 180 pax capacity
- Plant House

### SUPPLY CHAIN

The Group is aware of the important role local procurement has on the nation's economy. We continue to engage local and Bumiputera vendors across our supply chain management and procurement practices. We continue to ensure that our procurement policies and practices attract the most competitive contracts without compromising on quality. Our commitment towards local procurement is shown in the following table:

#### Bunus & Kuantan Projects

	2020	2021	2022
Local Vendors/Suppliers	100%	100%	100%
Bumiputera Vendors/Suppliers	14.88%	14.88%	14.88%
Amount Spent on Local Procurement (RM Million)	701.86	193.90	70.08

#### Z1P2

	2020	2021	2022
Local Vendors/Suppliers	50	83	84
Bumiputera Vendors/Suppliers	23	36	39
Amount Spent on Local Procurement (RM Million)	1.321	1.817	1.995

#### Z1P3

	2020	2021	2022
Local Vendors/Suppliers	N/A	41	92
Bumiputera Vendors/Suppliers	N/A	14	27
Amount Spent on Local Procurement (RM Million)	N/A	24.105	9.246

## Sustainability Statement

# ENVIRONMENTAL VALUE



It has become an imperative for corporations to step up their efforts in meeting sustainability and ESG targets to contribute to climate action which is crucial to reducing the impacts of climate change. Puncak Niaga continues to take active measures to reduce its carbon footprint, improving its environmental practices and conserving biodiversity across its projects. Besides that, our operations are also guided by a Health, Safety and Environmental Policy which enforces employees, workers and worker's representatives to take measures to protect the environment from impacts arising from our activities and ensure compliance to all environmental legal requirements and good practices.

We are committed to making responsible decisions to reduce the negative impacts of our business on the environment and the surrounding communities – to create a sustainable future for all.

### SUSTAINABLE AGRICULTURAL PRACTICES

Sustainable agricultural practices are embedded across our estates to minimise negative environmental impacts caused by our business activities and to protect the abundant biodiversity within our estates. To this end, we have engaged Ecosol Consultancy Sdn Bhd ("Ecosol"), an independent consultant, to consistently measure the environmental impacts derived from our plantation business activities on a quarterly basis. This will also help us to create long-term value by mitigating risks, identifying gaps and regulating our impact on the environment.

The scope for the assessment requires our compliance to the relevant rules and regulations pertaining to the environment, which includes:

- |   |                             |
|---|-----------------------------|
| 1 Flora and Fauna Conservation                | 5 Control of Air Pollution  |
| 2 Control of Soil Erosion and Slope Stability | 6 Water Disposal Management |
| 3 Hydrological Management                     | 7 Socio-Economic            |
| 4 Control of Water Pollution                  |                             |



## Sustainability Statement



Sustainable agricultural practices are fundamental to the optimal management of our estates. We continue to integrate the following practices to protect the ecosystem across our estates:

**1 Planting cover crops and employing zig-zag frond stacking to prevent soil erosion and run-off into waterways**

**2 Refraining from planting on steep terrains**

**3 Conserving water channels, streams, ponds and natural riparian buffer zones and reserves in line with overall flood mitigation plans**

**4 Connecting riparian buffer zones to other reserve areas in the plantation estates and surrounding neighbourhoods**

### COMPLYING WITH ENVIRONMENTAL REGULATIONS

We continue to place emphasis on adopting sustainable agricultural practices across our estates in accordance with the applicable rules and regulations. Sustainable management practices are implemented across our estates in Sarawak through continuous initiatives. These initiatives will reduce our carbon footprint, enforce environmental management practices in our contracts, ensure the sustainability of plantation management and conserve biodiversity. We make every effort to protect, conserve and restore the environment by adhering to the following laws:

1. Land Code (Sarawak) (Cap 81) (Land Code (Amendment) Ordinance 2000 and Land Code (Amendment) Ordinance 2005 [Sarawak Land Code (Amendment) Bill, 2018]
2. Natural Resources and Environment (Amendment) Ordinance 2001
3. Wild Life Protection Ordinance (1998 & 1999)
4. Environment Quality (Prescribed Activities) (EIA) Order 1987
5. Environment Quality (Schedule Waste) Regulation 2005
6. Environment Quality (Declared Activities) (Open Burning) Order 2003
7. Sarawak Natural Resources and Environment (Prescribed Activities) Order 1994

There were no records on non-compliance with regards to environmental laws, regulations or fines in the year under review.

### CONFORMING TO MALAYSIAN SUSTAINABLE PALM OIL ("MSPO") STANDARDS

As our estates are MSPO-certified, Danum Sinar continues to adopt sustainable estate management practices throughout its estates to comply with the requirements of the MSPO certification. It is our responsibility to ensure that Danum Sinar integrates sustainability elements that encompass environmental, social and governance into the operational practices of our palm oil plantation estates.

To completely meet the requirements of the MSPO Standards, Danum Sinar submits regular reports to relevant authorities such as the Department of Environment, the Department of Occupational Safety and Health, and the Malaysian Palm Oil Board.

Further to that, Danum Sinar has also established an Environmental Aspect and Impact Assessment Register ("EAIA") to facilitate the precise measurement of the potential risks, impacts and controls to the environment, as required by the MSPO certification:

No.	Activity	Aspect	Impact	Current Control	Risk Control
1	New Planting	Deforestation	Land erosion, ground water contamination, degradation of habitat	Covering of crops and soil conservation	Environmental Management Plan
2	Weeding (Spraying)	Chemicals	Risk to human health, water pollution, ground water contamination, degraded water quality	Approved herbicides, appropriate equipment, pre-mixed solution (water)	PPE, OSH training, environmental awareness
3	Manuring	Pesticide, fertiliser, etc			
4	P&D Treatment	Pesticide, fertiliser, etc	Air pollution, soil erosion	Monitoring/limit loading capacity	PPE, OSH training
5	External Crop Transportation to Mill	Smoke and dust released from equipment usage			
6	Genset	Diesel spill and carbon monoxide emissions	Fuel leakage which causes fires, hazards and burns, noise pollution from equipment, contact with equipment resulting in burns or electric shocks	Monitoring and conducting maintenance	Environmental awareness, OSH training

## Sustainability Statement

Danum Sinar evaluates its environmental impact by conducting quarterly assessments and submitting its Environmental Monitoring Report (“EMR”) to the Natural Resources and Environment Board (“NREB”) of Sarawak. Areas of assessment that are approved by the NREB include:

- (i) Flora and Fauna Conservation (e.g. prohibit hunting activities)
- (ii) Control of Soil Erosion and Slope Stability
- (iii) Hydrological Management
- (iv) Control of Water Pollution
- (v) Control of Air Pollution
- (vi) Waste Disposal Management
- (vii) Workers’ Health and Safety
- (viii) Agrochemical Management
- (ix) Road Traffic Safety
- (x) Socio-Economic

### UPDATING & MONITORING SOCIAL IMPACT ASSESSMENTS (“SIA”)

The MSPO (Principle No. 4) requires us to continuously update and monitor our SIA mitigation measures throughout our estates in August 2022, based on the SIA report conducted previously by Ecosol on 4 July 2019. The objectives of the annually conducted SIA are to:

- Ensure that Danum Sinar regularly engages with the local communities to enable estate operations to run smoothly, while highlighting the advantages of conducting SIA to mitigate the adverse impacts of our operations
- Develop a consultation process that ensures free, prior and informed discussions of the estates between Danum Sinar and all relevant agencies. For instance, we previously conducted an internal Biodiversity Assessment Report (“BAR”) for our estates to identify the biodiversity and High Conservation Value (“HCV”) areas that are available as per the requirements of the MSPO certification scheme. These records enabled Danum Sinar to plan and guide our employees in improving the maintenance, monitoring and conservation of the biodiversity of all our estates in Sarawak

### ENVIRONMENTAL MANAGEMENT AT OUR CONSTRUCTION PROJECTS

An Erosion Sediment Control Plan (“ESCP”) was implemented for the construction of the centralised STP at our Kuantan Project, to prevent soil erosion during the process of earthworks and construction works. The ESCP installed at our sites include sediment basins, check dams, silt fences, slope cover protection and wash through. Since our last inspection of ESCP in December 2022, no discharge was recorded from the sediment basin due to low rainfall/precipitation. We will continue to implement mitigation measures to establish long-term environmental sustainability.

### GHG EMISSIONS

Climate change is one of the most critical global issues today, as the window for keeping global warming to 1.5 degrees Celsius is closing and we do not have enough time to prevent some of the worst effects of climate change from taking place. Corporations are urgently called to take drastic action to slow down global warming.

As such, the Group has chosen to disclose the carbon emissions for its Bunus Project, Kuantan Project and Concession and Facilities Management Division. We believe that this marks a new beginning for us, bringing about positive change that will impact society and the environment, driving us towards carbon neutrality.

Scope 1 measures the direct GHG emissions from sources owned and managed by Puncak Niaga, including combustion, processes and fugitive emissions, while Scope 2 calculates indirect carbon emissions related to purchased energy. On the other hand, Scope 3 includes indirect emissions generated in the upstream and downstream value chain such as business travel, employee commuting and transportation.

The following contains details of our GHG emissions in Scope 1, Scope 2 and Scope 3 in 2022:

GHG Emissions	Scope 1 (Tonnes of CO <sub>2</sub> e)	Scope 2 (Tonnes of CO <sub>2</sub> e)	Scope 3 (Tonnes of CO <sub>2</sub> e)
Wisma Rozali	N/A	N/A	7.5
Bunus Project	183.68	91.84	30.61
Kuantan Project	1688	3.52	7.0
Concession and Facilities Management Division	21.67	N/A	N/A

Note: Our calculation method for GHG emissions is based on <https://www.epa.gov/climateleadership/simplified-ghg-emissions-calculator>.





## Sustainability Statement

### ENERGY MANAGEMENT

The consumption of energy across our various core businesses continues to be regulated to reduce operational costs and to save energy. Our employees are encouraged to integrate energy-saving initiatives in their daily operations, such as switching off lights during lunch hours and after work hours to reduce electricity usage. Conventional light fixtures in our buildings and project sites have also been replaced with energy-saving LED lights.

Our employees adopt the following energy-saving practices in their day-to-day operations at work:

1. Making use of the hibernation feature on computers
2. Utilising energy saving features in electronic devices
3. Turning off equipment when not in use
4. Printing only when necessary
5. Controlling heating and cooling

On the other hand, our Plantation Division generates its own electricity via generator sets installed across its estates to meet their daily operational needs and to provide electricity for the workers' quarters.

In 2022, our consumption of energy recorded a reduction, except for our Bunus Project which saw a slight increase in energy usage as construction work for the D44 project resumed after it was delayed during the pandemic:

Location	2020 (kWh)	2021 (kWh)	2022 (kWh)
Wisma Rozali	2,273,387	2,139,377	<b>1,457,255</b>
Bunus Project	31,990	15,837	<b>29,458</b>
Kuantan Project	47,630*	41,759	<b>51,754</b>
Plantation Estates	3,111,000	3,260,164	<b>4,145,670</b>
Concession and Facilities Management Division			
ZIP3	4,362,824	32,758,472	<b>35,822,761</b>
ZIP2	4,097,886	3,690,663	<b>5,074,715</b>

\* Excluding the months of April and May 2020.

### WATER MANAGEMENT

Improving the management of our water resources is vital to the production of palm oil, as a continuous supply of water is required to support all the stages of palm oil production and the mitigation measures of floods and droughts. To this end, we consistently implement measures to regulate the hydration levels of the palm oil trees during dry seasons and excessive rainfall.

Apart from that, we make efforts to reduce the impact of high rainfall by maintaining riparian and buffer zones to prevent soil run-off and the erosion of banks. We achieved this by extracting water samples from seven nearby locations, as recommended by the NREB to monitor and control water pollution. The NREB also endorsed the use of a proper septic system to prevent solid waste or debris from obstructing the waterways and to facilitate the chemical analysis of pesticides and herbicides used in our estates.

In 2022, we maintained these sustainable agricultural practices in all our estates:

- Cultivating legume cover crop as a soil conservation measure to prevent soil run-off and cease planting on steep terrains
- Zig-zag frond stacking in straight planting areas to reduce surface water run-off
- Prevent sedimentation and blockages in waterways
- Maintain adequate levels of water in peat areas to prevent soil subsidence to manage potential rain shortfall and fire risks
- Enable soft grasses to grow in the inter-row and implement selective spraying to mitigate surface run-off
- Continuous monitoring and treating of wastewater before releasing into natural waterways

We continued to observe the consumption of water at our estates, to identify wastage and increase efforts to improve our usage. Besides that, an internal water management control system was implemented at our headquarters in Wisma Rozali, to improve the management and consumption of water. The following table demonstrates the amount of water consumption in 2022:

Location	2020 (m <sup>3</sup> )	2021 (m <sup>3</sup> )	2022 (m <sup>3</sup> )
Wisma Rozali	13,155	12,028	<b>12,902</b>
Bunus Project	162	177	<b>262.66</b>
Kuantan Project	1,200*	790*	<b>336</b>
Plantation Estates	75,653	60,298	<b>54,389</b>
Concession and Facilities Management Division			
ZIP3	93,779	47,522	<b>109,116</b>
ZIP2	21,437 (excluding Dec 2020)	18,994.96 (excluding Jan 2021)	<b>168,993</b>

\* Excluding the months of April 2020 and June 2021.

## Sustainability Statement

### WASTE MANAGEMENT

An effective waste management system is important as it protects the environment from the toxic effects of inorganic elements and compounds that are found in waste. We continue to dispose of our waste in the most hygienic, efficient and economic manner, to prevent further pollution to the environment. For example, our Kuantan Project produces nearly 0.2MT of spent lubricating oil (SW305) on a quarterly basis. The oil is stored at onsite storage facilities and disposed of at licensed premises by appointed licensed contractors, in accordance with the local rules and regulations. We also repurposed spent hydraulic oil (SW306) as a waterproof layer on formwork.

We maintained the following waste management practices to ensure sustainability throughout our operations:

- Prohibiting open burning to make way for replanting across our palm oil plantations
- Adopting the best agronomical practices via our Agriculture Reference Manual (“ARM”) which enables efficient land usage through arial mapping and surveying; applying specific agriculture concepts on management by palm approach; reducing our dependence on chemical fertilisers, pesticides and herbicides; and reducing GHG emissions
- Recycling of pruned palm oil fronds, empty fruit bunches (“EFB”) and chipped old palm trunks to be used as compost and natural fertilisers for the plantation
- Regularly collecting the solid waste generated from villagers across plantations, disposing of waste in compliance with regulations stipulated by local authorities

Apart from that, we monitored the waste management at our Concession and Facilities Management Division, Z1P3 Project and outsourced waste management for Z1P2 Project to authorised waste management companies. Assessments on our waste management vendors continued to be performed to ensure our vendors are adhering to the requirements stated in our contract.

In 2022, we took additional initiatives to disclose the amount of diverted and directed waste in the Bunus Project, Kuantan Project and Concession and Facilities Management Division, underscoring our commitment to be more transparent in our reporting. Moving forward, we will continue to improve our waste management system and disclose more data.

Waste Management						
	2020		2021		2022	
	Total Waste Diverted from Disposal (Tonnes)	Total Waste Directed to Disposal (Tonnes)	Total Waste Diverted from Disposal (Tonnes)	Total Waste Directed to Disposal (Tonnes)	Total Waste Diverted from Disposal (Tonnes)	Total Waste Directed to Disposal (Tonnes)
Wisma Rozali	N/A	288	N/A	216	N/A	540
Bunus Project	0.00	0.12	0.23	8.84	2.06	18.54
Kuantan Project	50	37	15	24	12	20
Concession and Facilities Management Division	N/A	N/A	N/A	N/A	N/A	117.8239

### REDUCING OUR INTERNAL ECOLOGICAL FOOTPRINT

The Group took active measures to reduce the environmental footprint across our offices, construction sites, facilities and buildings. We also increased the environmental awareness of employees throughout various divisions by encouraging them to be mindful in their day-to-day activities, such as:

- Bringing meals to work in reusable containers
- Using both sides of paper when printing, copying and writing
- Reusing one-sided misprints for plain paper faxes or scrap paper
- Sending out emails instead of paper memos



## Sustainability Statement

### PAPER RECYCLING INITIATIVE

We persisted in our efforts to recycle paper across our various divisions and achieved the following in 2022:

Location	2020 (kg)	2021 (kg)	2022 (kg)
Wisma Rozali	992	1,113	599.5
Bunus Project	180	30	53
Kuantan Project	705	200	160
Plantation Division	N/A	N/A	110
Concession and Facilities Management Division			
Z1P3	N/A	N/A	N/A
Z1P2	90	153	45

### PAPER CONSUMPTION

In 2022, our total consumption of paper across our offices are as follows:

Location	2020 (reams)	2021 (reams)	2022 (reams)
Wisma Rozali	2,516	6,270	6,950
Bunus Project	240	192	250
Kuantan Project	300	370	240
Plantation Division	470	500	550
Concession and Facilities Management Division			
Z1P3	400	400	800
Z1P2	400	400	400

The Group also made efforts to reduce environmental impacts and improve our operating efficiency by implementing the following:

- 1 Developed an effective environmental policy
- 2 Reviewed and updated environmental impacts
- 3 Implementation at site
- 4 Internal Audit checking

### NOISE MANAGEMENT

The noise levels at both our Bunus and Kuantan Projects are closely monitored to ensure that our construction sites are not a nuisance to the communities in the areas where we operate. Significant measures were implemented to decrease the noise levels at the Bunus Project, in compliance with the Department of Environment's ("DOE") regulations. To this end, noise reduction equipment has been placed across the STP construction sites and concerns on excessive noise raised by surrounding communities have been immediately addressed.

As for the Kuantan Project, we comply fully to the 'Planning Guidelines for Environmental Noise Limits and Control' mandated by DOE. Two noise monitoring stations have been planted in the STP site, where 'Day' and 'Night' noise readings are recorded and submitted to the DOE every quarterly.

In December 2022, the LAeq levels at sampling points at Taman Kuantan Jaya and near the Surau Ar-Raudah Kempadang Sejahtera for day time exceeded 60 dBA, while night time levels complied to the recommended limit of below 55 dBA.

Our records showed a day time range of 60.3 dBA while our night time range was 52.8 dBA. Going forward, we will make efforts to regulate our noise levels.



## Sustainability Statement

### ADDITIONAL ENVIRONMENTAL INITIATIVES

In 2022, other additional initiatives were organised to improve the overall environmental management of our operations at our Kuantan Project and Centralised Sewage Treatment Plant (“CSTP”).

#### Kuantan Project

The Kuantan Project was developed to enhance sewerage coverage services within the catchment zones, increasing its reach across Kuantan. Through this project, the Company seeks to reduce the number of multipoint Sewage Treatment Plants in Kuantan to reduce pollution.

Kuantan Project's key performance indicators:

- Monthly Environmental Management Reports are submitted to clients

#### Environmental Management at CSTP

The Centralised Sewage Treatment Plant (“CSTP”) project adopts the best practices with the integration of its Photovoltaic (“PV”) Solar System that has cutting-edge green technology to power up the project and treat effluent water.

The following green technologies which are currently under construction and will be used within our operations include:

- **PV Solar System**

With an output of 100kW, the PV Solar System is located on the CSTP rooftop. It produces solar energy that is converted and integrated into the power supply system, generating electricity for lights in the CSTP area

- **Reusing CSTP Treated Effluent Water**

We reuse treated effluent water for internal usage in the daily operations at CSTP such as landscaping, sludge dewatering and general cleaning purposes

- **High Energy Efficiency Equipment**

Six turbo blowers were installed to improve aeration, with features that enable high energy efficiency, less noise and vibration

#### Waste Management

Monitoring of waste is conducted during construction at surrounding project areas, focusing on improving the waste management at the CSTP site. Waste monitoring is conducted to ensure the following:

- Provision of recycling bins for the disposal bottles and plastics
- Provision of roro bins for construction waste
- Reusing waste concrete to build good access roads
- Ensuring the proper management of 4 types of scheduled waste:

SW305 spent  
lubricant oil

SW306 spent  
hydraulic oil

SW408  
contaminated  
soil

SW409  
contaminated  
containers

#### Water Management

In the Kuantan Project, we implemented additional water management practices, such as reusing water to control dust at the CSTP and reusing treated effluent water in our daily operations. This will ensure there is a sufficient supply of water that can be used during emergencies and droughts.

### IMPROVING OUR OPERATIONAL EFFICIENCY WITH DIGITALISATION

#### Towards Digital Transformation

We have continuously invested in IT innovations to drive our business competitiveness and improve work efficiency through digitalisation. This enables us to employ digital technologies to create new solutions or modify existing business processes, culture, and customer experiences to meet changing business and market requirements. This reimagining of business in the digital age translates to digital transformation.

In 2022, the Information and Communication Technology Department (“ICTD”) implemented various technological innovations to further strengthen our management and operation outcomes, through a more integrated and seamless Information System and Communication Technology.



## Sustainability Statement

We achieved the following key outcomes in 2022:

### • Upgrading our Server with Cloud Data Recovery

We introduced server clustering to facilitate server balancing and high availability, which provides us information while maximising our performance, ensuring information is delivered securely and immediately.

Microsoft Azure cloud backup and recovery was also integrated to avoid data loss and to protect us from data risks, while allowing our business to operate with minimal downtime.



### • Introducing Google Workspace

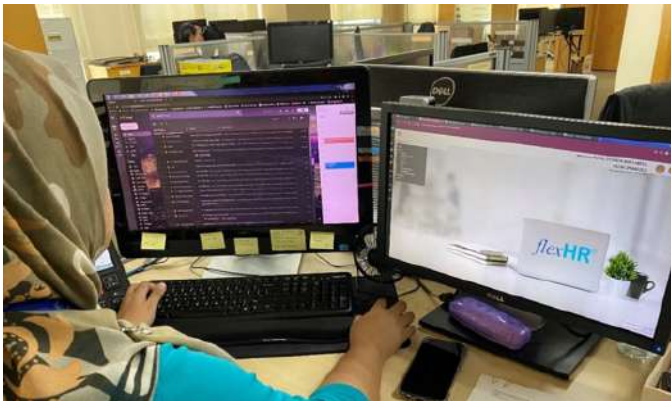
Google Workspace gives our employees more control and features, allowing them to secure documents and data, and collaborate more effectively through the availability of its advanced features.

Google Workspace also helps us experience the benefits of true digital transformation, including the ability to work in new ways that support hybrid and remote work environments.



### • Upgrading HRMS FLEX Version 7

ICTD completed implementation upgrades to our HR applications to enable our employees and our Management to gain access to several HR functions. With this new functionality, HR is able to manage their work processes better, supporting the growing needs of the Group.



### • Improving our Network Security

To ensure that our IT Security is reliable and to prevent internal and external attacks on our IT infrastructure, ICTD has implemented security measures on our current equipment and software to keep all information safe from internal and external threats.



## Sustainability Statement

### • Implementation of Puncak Niaga's New Corporate Website

Puncak Niaga's Corporate website has been upgraded to be better, faster, simpler, lighter and more secure. Our efforts to upgrade our website with new technologies provides users better service and a seamless experience.



### • Replacing Computers with New Units

To ensure our employees' day-to-day operations run smoothly, ICTD took the initiative to replace the old computers with new units.



### • Integrating Smart Agriculture in Plantation

Smart Agriculture offers a comprehensive suite of solutions that helps Danum Sinar adapt to technological advancement and ever-changing demands. The use of drones for analytics in our solutions helps with mapping, tree counting and detecting potential complications that could hamper crop growth. A centralised monitoring dashboard gives us a holistic view of the crop conditions and is customisable according to our specific needs.





## Sustainability Statement

# VALUE TO OUR EMPLOYEES



The Group greatly relies on our human capital to spur our business forward and to ensure the long-term sustainable growth of our organisation. We focus on nurturing their talents, knowledge, and capabilities through the establishment of various policies and work practices that promote the health, safety and wellbeing of our employees. We are committed to providing our employees with a motivating, safe and inclusive work environment to enable them to achieve their full potential.

### UPHOLDING WORKFORCE DIVERSITY

A harmonious, inclusive, rewarding and empowering work environment is necessary to enable our employees to meet our business goals and objectives. Our PUNCAK Values are embedded in our work culture, empowering a passionate, united and skilled workforce to support our business. Apart from that, we remain guided by our Diversity Policy which ensures inclusivity and the provision of equal opportunities to employees regardless of age, gender, ethnicity, religion, beliefs, socioeconomic background, among others. Our Diversity Policy further ensures that the Group will take initiatives to identify, develop and implement appropriate action plans to remove diversity barriers at the workplace.

A diverse workforce that combines a well-rounded team of talents from various age groups, genders, ethnicities, religions, and backgrounds grants us access to a broad range of experiences and ideas that can be used to our advantage in terms of knowledge, creativity and decision-making. Over time, we have built a strong team of people from various industries and competencies across the Group, as well as a diverse Board of Directors. The following details the breakdown of our workforce by gender, nationality, ethnicity and age group.

## Sustainability Statement

### Employee Performance Data

#### Employee Breakdown by Gender

Gender/Year	2020	2021	2022
Male	337	353	402
Female	193	190	220
<b>Total No. of Employees</b>	530	543	622

#### Breakdown by Age, Gender, Employee Category & Ethnicity

##### 2020

Employee Category	Gender		Age				Ethnicity			
	Male	Female	<30 years	30-39 years	40-49 years	>49 years	Chinese	Malay	Indian	Others
Management	57	31	2	21	30	33	15	64	1	6
Executive	89	78	32	74	43	18	7	140	5	15
Non-Executive	196	85	96	91	50	40	-	211	13	53
Apprentice	-	-	-	-	-	-	-	-	-	-
Practical Trainees	15	5	20	-	-	-	-	20	-	-

##### 2021

Employee Category	Gender		Age				Ethnicity			
	Male	Female	<30 years	30-39 years	40-49 years	>49 years	Chinese	Malay	Indian	Others
Management	49	29	1	11	28	38	12	60	1	5
Executive	91	79	22	82	43	23	5	144	5	16
Non-Executive	204	73	92	105	47	33	-	225	14	38
Apprentice	9	9	18	-	-	-	-	18	-	-
Practical Trainees	9	3	12	-	-	-	-	12	-	-

##### 2022

Employee Category	Gender		Age				Ethnicity			
	Male	Female	<30 years	30-39 years	40-49 years	>49 years	Chinese	Malay	Indian	Others
Management	60	33	2	17	42	32	12	76	1	4
Executive	99	84	45	85	35	18	54	153	4	21
Non-Executive	235	80	113	118	52	32	1	256	16	42
Apprentice	8	13	20	1	-	-	-	21	-	-
Practical Trainees	16	9	25	-	-	-	-	9	-	-



## Sustainability Statement

### Staff Turnover Rate

Job Categories	19-29 years		30-39 years		40-49 years		50-59 years		60-69 years		Total
	F	M	F	M	F	M	F	M	F	M	
Management	-	-	1	9	2	8	2	5	-	4	31
Executive	19	9	17	8	7	7	-	2	-	2	65
Non-Executive	17	42	11	34	8	12	8	1	-	1	134
Apprentice	8	7	-	-	-	-	-	-	-	-	15
Practical Trainees	5	14	-	-	-	-	-	-	-	-	19
Total	43	72	29	51	17	27	10	8	-	7	264

We often find ourselves competing with other companies to retain the best talents, which can be costly due to the negative impact that high turnover rates can have on a business's time and productivity. About 65% of the Group's workforce comprises Generation Y or millennials between the ages of 25 and 35. The turnover rate of millennials is 72.5% and is the highest in our workforce, indicating that the loyalty of millennials to the Group is low.

According to the Department of Statistics Malaysia, the number of millennials employed is approximately 8 million or 62% in Malaysia's workforce. They will soon become the largest generation who will dominate the workplace. Millennials have different values and expectations, which will create a new corporate opinion and culture in the workplace, as they are easily adaptable, highly educated, knowledgeable, skilful and often interact with people from various backgrounds. They are also open-minded and comfortable when it comes to collaborating with colleagues while working. However, although there are many advantages to hiring millennials, they are likely to switch jobs or "job hop" as they feel:

- It is better for their career development
- It enables them to learn more and diversifies their growth opportunities
- Disengaged or not as connected to their current jobs

In some cases, when better career opportunities are offered to employees, they are motivated to take advantage of job offers without any hesitation. While this younger Malaysian workforce can come across as constantly expecting more, the reality is that they are simply looking for a career that meets their expectations and they will keep looking until they find the right fit.

Today, the job-hopping culture has almost become a norm among millennials as they feel they are agile and capable of securing better positions and benefits. This implies that the new generation of employees face difficulties in remaining loyal to one employer throughout their career.

### OUR EMPLOYEE-CENTRIC POLICIES

We remain guided by the Group's human resource management policies and procedures, which provides clear guidelines for our employees, ensuring our compliance to legal obligations and defining the rights of employees.

Our policies are overseen by the Board and implemented in accordance with the relevant employment laws and regulations.

#### Our key policies are as follows:

- Manpower Planning and Recruitment
- Training and Development
- Performance Management
- Compensation and Benefits
- Employee Relations
- Grievance Mechanism
- Disciplinary Actions
- Other policies in compliance to applicable laws and regulations

### ANTI-SEXUAL HARRASSMENT POLICY

Employees are protected against all forms of sexual harassment in order to make our employees feel safe and protected across our business operations. Our Sexual Harassment Policy has a clear reporting process for employees as and when any such incidences occur. In 2022, zero incident on sexual harassment was recorded.

## Sustainability Statement

### FORCED OR COMPULSORY LABOUR, HUMAN RIGHTS VIOLATIONS & CHILD LABOUR

We have zero tolerance towards forced or compulsory labour, child labour and human rights violations. We make every effort to ensure that our business fully complies with the policies pertaining to labour and human rights. Our team of Auxiliary Police is continuously engaged on all issues relating to human rights and labour to enforce ethical practices across our premises and operations. In 2022, there were no recorded incidents of child labour, forced or compulsory labour, or violations to the rights of our employees and indigenous communities living within our estates.

### GRIEVANCE MECHANISM

A structured grievance mechanism process has been implemented to enable our employees, suppliers and stakeholders to voice out their concerns on environmental issues, labour practices and other matters that need our urgent attention. In our commitment to be accountable and transparent in our business, we have in place a Whistleblowing Policy which encourages employees and stakeholders to report any form of misconduct or concern without fear of retaliation. Our employees are encouraged to report any wrongdoings, malpractices or misconducts directly to a Designated Director of the Group, Integrity Officer or the Chairman of the Audit Committee, via email, in writing or through face-to-face consultation. In 2022, there was no complaints recorded and no penalties or fines issued.

### TRAINING & DEVELOPMENT

The continuous training and development of our talent pool is required to expand their capabilities and skills. This will also enable us to retain our talents, increase job satisfaction, improve productivity, and ensure the long-term growth of our business. In 2022, we invested a total of RM159,300.34 on training and development programmes for our employees, which grew in comparison to the amount of RM49,972.00 invested in 2021. This was due to more training programmes conducted internally and the provision of external training in comparison to the previous year. The programmes conducted included a mix of internal and external training that focused on improving functional skills, general knowledge and enhancing personal development. The average training hours per employee in 2022 was 1.27 mandays.

The following is a list of training programmes provided to Directors, the Management and employees in 2022:

#### LIST OF TRAINING IN 2022

##### Internal Training

- Corporate Liability Under MACC Act 2009, Section 17A
- Foot Drill Training
- Effective Communication Skills/Customer Service Etiquette
- Leadership Training Programme
- Effective Presentation Skills
- Management and Care of Armory and Firearm Storage Room
- Food Handling
- Q-Radar Refresher and the New AMS System
- Importance of Risk Management & Crisis Management
- Role of the Panel at a Domestic Enquiry
- IMS Awareness & Internal Audit Training – Z1P3
- Sustainability: Introduction & Awareness
- IMS Awareness Training – PNHB
- Technical Report Writing Workshop
- Introduction to Plantation
- Water Gate Flood Barrier
- Z1P2 Performance Blueprint



## Sustainability Statement

### LIST OF TRAINING IN 2022

#### External Training:

- 50 Contractual Problems Answered
- Emceeing Course
- Analysis of Recent IP Cases
- Facilities Management Course
- Authorised Entrance & Standby Person (“AESP”)
- MAICSA Annual Conference: Challenging the Challenges in Governance
- Authorised Person Training (“AP”) for Medical Gas
- Malaysia Association of Energy Service Companies
- Board of Engineers Malaysia
- Microsoft Excel Advance
- Occupational Safety and Health (“OSH”) Certificate Coordinator
- Overview of the Revised MSPO2530 (2022) Standards
- Competency Based Training Needs Analysis (“TNA”)
- Project Time Management (“QE Consultant”)
- Compliance with Guidelines for the Reporting Framework for Beneficial Ownership of Legal Persons
- Project Management in Construction
- Concrete Repair Works
- Practical Guidelines to Conduct a Virtual/Hybrid Domestic Enquiry
- Corporate Governance Case Studies
- Preference Shares
- CSP for Beginners
- Professional Certification in Sustainability Operation (“P-CISO”)
- Enhance Employee Productivity with Skill Profiling and Job Analysis
- Recent Developments in Malaysian Arbitration Law
- ESG and Sustainability Reporting
- Red Flags – Palm Oil Milling Operation
- ESG Risk Management and Due Diligence: Understanding and Managing ESG Risks
- Uniform Building By Laws
- How to Make HR Easy for Companies: People, Process, Technology
- SSM National Conference 2022
- Important Industrial & Higher Court Decisions in 2021
- Waterproofing: Product, Technology and its Application in Building Works
- Industrial Relations Conference 2022

#### Training Programmes Conducted in 2022

Types of Training Programmes	No. of Programmes
In-House	32
External	37
Knowledge Sharing	3
<b>Total</b>	<b>72</b>

#### Number of Personnel Trained in 2022

Types of Training Programmes	No. of Personnel
Functional	222
Personal Development	90
General Knowledge	192
Engagement	68
Leadership	21
<b>Total</b>	<b>593</b>

## Sustainability Statement

### Average Training Hours by Gender

Training Hours/Gender	Male	Female	Total
Total No. of Employees	402	210	612
Total No. of Training Hours	495.44	282.38	777.82
Average Training Hours Per Employee	1.91	1.09	1.27

### Average Training Hours by Employee Category

Employee Category	Total No. of Training Hours	Average Training Hours Per Employee
Management	254.63	2.65
Executives	340.19	1.66
Non-Executives	183	0.59
Total Training Hours	777.82	1.27

### KNOWLEDGE SHARING COLLABORATIONS WITH UNIVERSITIES

As part of our efforts to develop human capital, we have entered into 2 Memorandum of Understanding (“MOU”) with local universities to continue the sharing of knowledge and expertise between industry corporations and academic institutions.

On 14 January 2015, we entered into an MOU with Management Science University (“MSU”), while our MOU with Politeknik Sultan Idris Shah (“PSIS”) began on 29 February 2016.

These collaborations provide the Group with internship and training opportunities, reinforcing our relationship with academic institutions. In 2022, 29 students from 11 universities/institutions in Malaysia participated in our internship/practical training programmes.

These mutually beneficial connections we have formed with universities, have increased our understanding of the academic industry which supports the industries we operate, expanding our ability to contribute towards the development of the nation's human capital. We will continue to honour these MOUs to take advantage of the learning and development opportunities from these university partnerships.

### EMPLOYEE PERFORMANCE & APPRAISAL

Performance appraisals are performed biannually to measure and reward employees' performance and identify skill gaps and training needs. Through appraisals we are also able to identify top-performing employees to map out their career path and give our employees a chance to voice out their concerns.

The Group has in place an Independent Employees Performance Review Committee (“IEPRC”) that is tasked with reviewing and evaluating employee assessments and scores that are submitted by Heads of Departments and Divisions. After that, the IEPRC presents its final recommendations to the Executive Committee (“EXCO”) and to the Board, who makes collective decisions on employee assessments, based on individual performance and the Company's overall performance.

The Board will then approve proposed action plans by the Management to resolve areas where employee performance falls below 50%. Non-performing employees with scores of 49% and below are required to participate in the Performance Improvement Programme (“PIP”), where they are given 6 months to improve on their performance within a set of identified parameters. The Head of Division and the Executive Director of Human Resources and Administration Division will conduct counselling sessions to monitor their progress during the PIP period or extend the PIP period if necessary. Employees who meet the performance target of 70% and above during the PIP or extended PIP period will be retained, while those who fail to meet the set targets may be dismissed by the Company.

In 2022, 100% of our employees received regular performance reviews.

### BENEFITS & COMPENSATION

The provision of an attractive remuneration package to attract, motivate, retain and compensate our dedicated employees for their hard work and effort is essential to show our appreciation to our workforce. Moving forward, we will continue to review and improve our benefits and compensation, benchmarked against industry standards to provide motivation for our employees to excel in their work.

#### SOME OF OUR EMPLOYEE BENEFITS INCLUDE:

- Medical benefits for employees and immediate family members
- Life insurance and retirement benefits
- 0% interest educational loans and interest subsidies for house and car loans
- Incentives to support daily expenses such as handphone, travel, cost of living, meal and hardship allowance
- Provision of flexi-working hours and annual leave, medical leave, study leave, compassionate leave, maternity leave and paternity leave
- Paid professional subscriptions and training



## Sustainability Statement

### EMPLOYEE ENGAGEMENT

The Group is committed towards efforts to motivate its employees, to spur them towards excellence and to strengthen the relationship we have with our workforce. Apart from our support towards their safety, health and wellbeing we also focus on building rapport among colleagues, providing teambuilding and networking opportunities.

In 2022, the Group rolled out the following initiatives to engage with employees:

Division	Initiatives
Puncak Niaga	<ul style="list-style-type: none"> <li>Puncak Niaga's 25th Year Anniversary</li> <li>Long Service Awards Presentation Ceremony</li> </ul>
PEKA	<ul style="list-style-type: none"> <li>PEKA Futsal Competition 2022</li> <li>Personal Grooming Programme for female employees</li> <li>Gifting of Dates to employees during Ramadhan</li> <li>PEKA's 'Bubur Lambuk' Programme</li> <li>Q&amp;A Session &amp; Briefing on Zakat</li> <li>PEKA Bowling Competition 2022</li> <li>Program Tazkirah &amp; Solat Sunat Hajat</li> <li>Fishing, Cooking &amp; Colouring Competitions</li> <li>Celebrating Merdeka</li> <li>Indoor Games Championship</li> </ul>
PNCBSB	<ul style="list-style-type: none"> <li>Friendly Soccer Match: PNCBSB vs. PKNP</li> <li>Distribution of Dates during Ramadhan</li> <li>Iftar with IPD Officers</li> </ul>

We celebrated our 25th Year Anniversary through a Family Day event with our employees and their families, where a wide variety of activities were organised to mark the momentous occasion. Aside from that, we also recognised the dedication and hard work of our employees by presenting 141 employees with Long Service Awards in recognition of their long tenure of service with our Group.

Going forward, we will continue to organise more activities and events to strengthen our relationship with our employees and their families.

### OCCUPATIONAL SAFETY & HEALTH ("OSH")

The safety, health and wellbeing of our employees continues to be the focal point of our business operations as we strive to provide a safe work environment to enable our people to support the Group's current and future businesses and operations. We remain committed to the integration of robust OSH policies, frameworks and processes across our operations, as they help us to overcome challenging periods.

The Group has in place a Health, Safety and Environmental Policy which underscores the prevention of injury, ill health and pollution in all operational activities by eliminating hazards, reducing risks and protecting the environment. The Policy also requires all workers and worker's representatives to adopt safe practices to protect themselves, others around them and the environment. Looking ahead, we will continue to maintain the highest standards of OSH across our plantations, projects and operations.

### OCCUPATIONAL HEALTH AND SAFETY TRAINING

To embed a culture of health and safety across our operations, we consistently provide our employees training to strengthen their knowledge and their understanding on safety practices in their day-to-day operations. In 2022, 155 employees in the 11 divisions were trained on health and safety standards including topics on the following:

#### Occupational Health and Safety Training

1. Authorised Entrance & Standby Person ("AESP")
2. Authorised Person Training ("AP") For Medical Gas
3. Awareness of 5S Housekeeping at the Workplace
4. Basic Occupational First-Aid, CPR, & AED
5. Best Practice for On-Site Quality Control and Installation of External Cladding
6. BIOGASS System: Case Study of Malaysia Sewerage System
7. Emergency Preparedness and Response Plan ("ERP")
8. Environment Aspect Impact Assessment ("EAIA")
9. Ergonomics at the Workplace
10. Fire Prevention and Evacuation
11. Floor Marshall
12. Forklift Safe Handling Course
13. Hazard Identification, Risk Assessment and Risk Control
14. Introduction To Passive Fire Protection: Compartment, Fire Door and Staircase According to BOMBA Act And UBBL
15. OSH Coordinator
16. Scheduled Waste Management Training Programme
17. Storage & Handling of Chemical

Employees by Job Category	No. of Employees Trained
Management	34
Executive	64
Non-Executive	53
Apprentice	4
<b>Total</b>	<b>155</b>

## Sustainability Statement

### BUNUS PROJECT

We continued to safeguard the health and safety of our clients, contractors, workers, visitors and communities in our Bunus Project, in compliance with international standards, applicable laws and regulations. We have received our OHSAS 18001:2007 and ISO 45001:2018 certifications in Occupational Safety and Health Management Systems.

Audits are conducted regularly to evaluate the efficiency and reliability of our health and safety systems, while site and safety inspections were also carried out during the year. Safety continued to be highlighted through weekly toolbox talks to create awareness on safety and environmental issues amongst contractors, while quarterly meetings were held to discuss health, safety and environmental issues.

As at 31 December 2022, we achieved 2,844,996 LTI-free manhours in comparison to 2,673,375 hours in 2021.

### KUANTAN PROJECT

In 2022, we maintained the highest standards of OSH across our Kuantan Project, fully complying with all the applicable contractual safety and health requirements, to safeguard our clients, staff, contractors, visitors and members of the public.

Throughout the year, regular site and safety briefings were conducted with our employees and contractors. We also held toolbox talks, safety inductions, monthly inspections, first aid inspections with our staff and contractors as well as monthly progress meetings with local authorities to discuss pertinent health and safety issues.

Apart from that, identification and mitigation measures of existing and potential hazards continued to be carried out across our project, to manage our risks effectively and to prevent hazards. As of 31 December 2022, we achieved 814,750 LTI-free manhours as compared to 3,923,286 LTI-free manhours in 2021, the details of which are in pages 65 and 66 of this Annual Report.

### PLANTATION DIVISION

Our Plantation Division has been MSPO-certified since 6 August 2019 and was reaffirmed in 2021 via the second year of audit surveillance conducted by Care Certification International (M) Sdn Bhd. Our Plantation Division continues to uphold its comprehensive OSH standard operating procedures in accordance with the guidelines set within its Occupational Safety and Health ("OSH") Policy Manual. Our dedicated OSH Committee also makes every effort to ensure OSH best practices are consistently employed by our employees across the workplace. Apart from that, Danum Sinar also organised fire drill training, as well as training on Hazard Identification, Risk Assessment and Risk Control and Handling of Chemicals to ensure our employees implemented safety practices at the workplace.

### CONCESSION & FACILITIES MANAGEMENT DIVISION

During the year, TRIplc Berhad was awarded the "MSOSH OSH Silver Award Winner 2021" and "MSOSH OSH Gold Class 1 Award Winner 2022" for its good OSH performance. We have also received the SIRIM QAS International Certification for Integrated Management System ISO 45001:2018 (Occupational Safety & Health) which is testament of our ongoing commitment to comply with internationally recognised best practices on safety. During the year, we also renewed our Fire Certificate for Hospital Al-Sultan Abdullah.

#### THE CONCESSIONS AND FACILITIES MANAGEMENT DIVISION MAINTAINED THE FOLLOWING OSH PRACTICES AND PROCEDURES IN 2022:

- Weekly Toolbox/Induction Briefings
- Monthly Safety and Health Committee Meetings
- Weekly Fogging/Larviciding
- Daily Housekeeping/Cleaning
- Monthly Environmental Monitoring

The Concession and Facilities Management Division had also organised various training sessions to improve the knowledge, awareness and skills of its employees with regards to health and safety. In 2022, a total of approximately RM105,532 was invested for training programmes for 252 employees, achieving a total of 2,009 manhours in training. The following are training programmes that were held during the year:

- Fire Training for Hospital Universiti Teknologi MARA ("HUiTM") and TRIplc Medical Sdn Bhd ("TMSB")
- Integrated Management System ("IMS") Awareness Training
- Appendix E Workshop
- User Training: Management of Hazardous Materials
- Malaysian Society for Quality in Health ("MSQH") Workshop
- Technical Seminar on Fire Protection System
- Technical Seminar on Air-Conditioning and Mechanical Ventilation ("ACMV") System
- Hospital Specific Implementation Plan ("HSIP") 2022 Workshop
- Fire Drill and Fire Extinguisher Training
- User Training: Healthcare Waste Management Services ("HWMS")



## Sustainability Statement

We are proud to report that our Bunus Project, Plantation Division and Concession and Facilities Management Division have maintained the record of 100% OSH compliance for 4 consecutive years.

### LTI-FREE MANHOURS AS OF FY2022

Business Unit	2020	2021	2022
PNCBSB HQ	39,040	41,936	2,967,945
Bunus Project	2,402,190	2,673,375	
Kuantan Project	2,037,906	3,923,286	814,750
Plantation Division	2,330,112	1,944,712	2,921,414
Concession & Facilities Management Division			
- Z1P2	1,458,200	898,263	1,257,975
- Z1P3	N/A	N/A	846,100
<b>TOTAL MANHOURS</b>	<b>8,267,448</b>	<b>7,536,860</b>	<b>6,294,386</b>

### Summary of LTI and Incidents at Puncak Niaga

Type of Incident	Year	PNCBSB HQ	Bunus Project	Kuantan Project	Plantation Division	Concession & Facilities Management
<b>Fatality</b>	2020	0	0	0	0	0
	2021	0	0	0	0	0
	<b>2022</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>N/A</b>	<b>Z1P2: 0 Z1P3: 0</b>
<b>Serious Injury (LTI &gt; 4 days)</b>	2020	N/A	0	0	0	N/A
	2021	0	0	0	0	0
	<b>2022</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>N/A</b>	<b>Z1P2: 0 Z1P3: 0</b>
<b>Minor Injury (LTI &gt; 4 days)</b>	2020	N/A	0	1	0	N/A
	2021	0	0	0	0	0
	<b>2022</b>	<b>0</b>	<b>4</b>	<b>2</b>	<b>N/A</b>	<b>Z1P2: 0 Z1P3: 0</b>
<b>Medical Treatment Injury</b>	2020	0	0	N/A	0	0
	2021	0	0	0	0	0
	<b>2022</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>13</b>	<b>Z1P2: 0 Z1P3: 0</b>
<b>Dangerous Occurrence</b>	2020	0	0	N/A	0	0
	2021	0	0	0	1	0
	<b>2022</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>N/A</b>	<b>Z1P2: 0 Z1P3: 0</b>
<b>Property Damage</b>	2020	0	Site: 0 TP: 6	Site: 1 TP: 20	0	0
	2021	0	Site: 0 TP: 2	Site: 1 TP: 13	0	0
	<b>2022</b>	<b>0</b>	<b>0</b>	<b>55</b>	<b>N/A</b>	<b>Z1P2: 0 Z1P3: 0</b>
<b>Traffic Incident</b>	2020	0	Site: 0 Public: 2	Site: 0 Public: 2	0	N/A
	2021	0	Site: 0 Public: 4	Site: 0 Public: 0	0	0
	<b>2022</b>	<b>0</b>	<b>Site: 0 Public: 4</b>	<b>Site: 0 Public: 7</b>	<b>N/A</b>	<b>Z1P2: 0 Z1P3: 0</b>

## Sustainability Statement

### Summary of LTI and Incidents at Puncak Niaga (Cont'd)

Type of Incident	Year	PNC SB HQ	Bunus Project	Kuantan Project	Plantation Division	Concession & Facilities Management
First Aid Cases	2020	N/A	1	0	2	N/A
	2021	0	0	0	0	0
	2022	0	7	0	2	Z1P2: 8 Z1P3: 0
Near Miss	2020	N/A	0	1	0	N/A
	2021	0	0	0	0	0
	2022	0	4	1	1	Z1P2: 0 Z1P3: 0
Others (First aid, near miss, fire & others)	2020	0	0	N/A	0	0
	2021	0	0	0	0	0
	2022	0	0	0	12	Z1P2: 0 Z1P3: 0
Occupational Disease/Food Poisoning	2020	N/A	0	N/A	0	N/A
	2021	0	0	0	0	0
	2022	0	0	0	1	Z1P2: 0 Z1P3: 0

### EMERGENCY RESPONSE TEAM ("ERT")

On 16 December 2022, an evacuation drill was held at Wisma Rozali at 4pm. A total of 190 employees were evacuated from Wisma Rozali with the assistance of 26 floor marshals and 15 first-aiders. During the drill, 2 injury simulations were conducted with the purpose of evaluating the ERT's response time. The whole evacuation drill was completed within 26 minutes, 4 minutes earlier than the estimated time of 30 minutes. Our employees were then released to resume their duties in Wisma Rozali after the evacuation drill.





## Sustainability Statement

### ENFORCING SAFETY WITH AUXILIARY POLICE

Since 9 June 2006, Puncak Niaga has established an Auxiliary Police team to increase the security across its operations, safeguarding the Group's people, premises, properties, assets and projects. Our Auxiliary Police have been trained by the Royal Malaysia Police ("PDRM") and have been granted authority by PDRM to enforce laws, rules and regulations accordingly.



#### THE AUXILIARY POLICE TEAM ARE RESPONSIBLE FOR THE FOLLOWING DUTIES:

- Preventing crime from occurring on company premises, properties, assets and projects
- Conducting beat, patrol and static duties regularly
- Providing crowd control and regular inspection of people and vehicles
- Protecting and escorting the employer's property
- Assisting PDRM in conducting joint patrols in specific areas identified by the Reduction of Crime National Key Results Area ("CRI NKRA")
- Participating in PDRM's official activities by invitation, such as events related to Auxiliary Police Association ("APA")

In 2022, a total of 107 Auxiliary Police, security guards and surveillance officers provided exemplary service across our Group. We continued to provide them with training according to updated policies and practices to increase their competencies and their awareness on human rights issues to protect the communities living within our projects and premises as well as our plantation estates in Sarawak.

## Sustainability Statement



**IN CONJUNCTION WITH OUR 25 YEARS ANNIVERSARY IN 2022, WE CELEBRATED THE LONG SERVICE OF TEAM PUNCAK NIAGA**

### 25 YEARS & ABOVE



### 20 YEARS TO 24 YEARS





## Sustainability Statement

### 15 YEARS TO 19 YEARS



### 10 YEARS TO 14 YEARS



**OUR JOURNEY CONTINUES WITH THE STRONG SUPPORT OF TEAM PUNCAK NIAGA**

## Sustainability Statement

# VALUE TO OUR COMMUNITIES



The year 2022 proved to be yet another challenging year as Malaysia transitioned into a recovery mode during the endemic phase. However, many Malaysians were impacted by the ongoing floods and the rising costs of living, leading to corporations coming together to provide aid to communities in need. As always, the Group is committed to supporting the needs of the people around us, to build stronger ties with communities and to lead the way towards a sustainable future.

The Group has in place a Corporate Social Responsibility Policy that ensures that we do all we can to advocate and uphold the environment, community, stakeholders and our employees. We strive to protect the interests and needs of our stakeholders, while managing risks arising from our operations to ensure our businesses thrive sustainably.

### SUPPORTING LOCAL INDIGENOUS COMMUNITIES

In 2022, our Plantation Division organised the following initiatives for communities living within our estates in Sarawak:

- Job/Business Opportunities – Jobs were offered to the local community, enabling them to earn a living as paid workers and staff members as well as engaging local contractors and suppliers
- Upskilling Opportunities – Training was provided to increase the capacities of the locals (e.g. harvesters, lorry drivers, field operators, etc.), improving the operational efficiency of our estates
- Upgrading Accessibility of Roads – Efforts were made to improve the roads across our estates to provide easy access to employees and local communities
- Providing Medical Aid – Medical services and support is readily given to workers at our estate medical centre, which is equipped with an ambulance that is deployed for emergencies whenever required
- Improving Facilities and Transportation – Transport shuttle services are provided for our local workers to transport them to their longhouse settlements during the weekends
- Respecting Local Cultures – Food and monetary donations are given to longhouse communities during festive celebrations

In 2022, we maintained our record of no incidents or violations to the rights of indigenous communities within our estates and in the areas where we operate.



## Sustainability Statement

### FULFILLING THE NEEDS OF COMMUNITIES

The Group continued to show care to the local communities, supporting the underserved and catering to the specific needs of communities living within the areas where we operate. In the year under review, RM1,139,519.00 was invested on community initiatives as well as to support NGOs and universities by Puncak Niaga. The following are some of the CSR initiatives executed in 2022 by various divisions within the Group:

#### PEKA

- Program Infaq Ramadhan: Financial donation to 7 Asnaf and Fakir families living in Sungai Besar, Gedangsa and Cheras



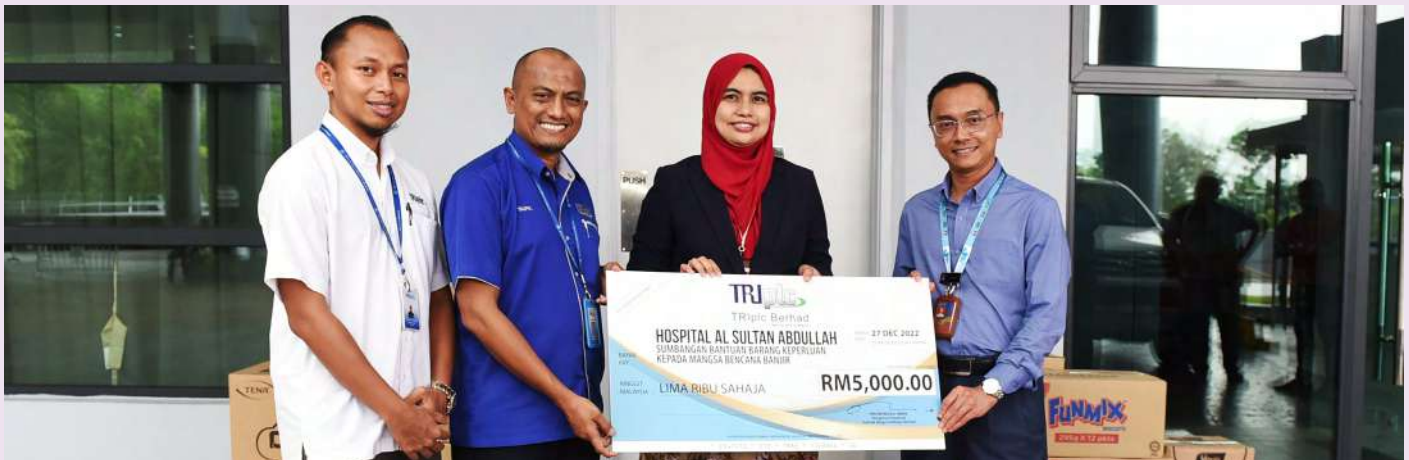
#### TRIpIc Group

##### Z1P2

- Sponsored 2 television sets to Surau Ibnu Sina, UiTM Campus
- Carried out 33 sanitisation works across UiTM buildings in 2022

##### Z1P3

- Collaborated in contribution for Ihya' Ramadhan, Nuzul Al-Quran and Rewang and Bubur Lambuk
- Collaborated in Program Maulidur Rasul
- Installed 1 unit of Indoor Full Colour LED Display System and stainless-steel signage for inauguration ceremony
- Donated funds to Bantuan Banjir Hospital Al-Sultan Abdullah



## Sustainability Statement

### FULFILLING THE NEEDS OF COMMUNITIES

#### Danum Sinar Sdn Bhd

- Provided school supplies and educational aids to 30 estate children
- Organised a COVID-19 Vaccination Programme for workers and communities
- Monetary and food donations to local communities during Hari Raya, Ramadhan and Hari Gawai
- Contribution of Al Quran, funds for Ramadhan and supplied food for 'Majlis Berbuka Puasa' within the estates
- Supported the construction of new mosques at Marong 1 & 2 estates
- Organised 'Hari Keluarga' for communities in Jabon estate
- Executed a CSR Programme on Self-Sufficient Farming in Arau



#### PNCSB

##### Kuantan Project

- Donated supplies to 'Rejimen 505 Askar Wataniah Kem Force 136'
- Made financial contributions to Sekolah Menengah Kebangsaan Sultan Abu Bakar ("SABS") and Sekolah Menengah Kebangsaan Abdul Rahman Talib ("SMART")





## Sustainability Statement

### COMMUNITY INVESTMENTS

Investing in the communities we serve continue to be important to us as our business is supported by people that work within a community, which enables our business to thrive and provides us purpose. Our investments will go a long way towards positively reinforcing our brand, providing us more business opportunities while enabling us to lend a hand to the general community.

	Beneficiaries/Programme	Total Amount Invested in Each Beneficiary (RM)
Investment in Community, NGOs and Universities by Puncak Niaga Group	Masjid Puncak Alam	400,000.00
	Hospital Al-Sultan Abdullah UiTM	164,630.00
	Education Scholarship	142,921.00
	UiTM Puncak Alam	93,628.00
	Politeknik Sultan Idris Shah, Selangor	57,000.00
	Tabung Kebajikan Sukan Dan Sosial Polis Kontinjen Selangor	54,000.00
	Kelab Bersekutu Dua Roda	40,000.00
	Universiti Malaya	32,000.00
	Program Bantuan Makanan Mangsa Banjir di Selangor	31,240.00
	Persatuan Suri dan Anggota Wanita Perkhidmatan Awam Malaysia ("PUSPANITA") Daerah Kuala Selangor	20,000.00
	UTeM Holdings Sdn. Bhd.	20,000.00
	Yayasan Waqaf Malaysia	20,000.00
	Pengerusi Perbadanan Labuan	10,000.00
	Pejabat Daerah/Tanah Kuala Selangor	8,000.00
	Penerima Anugerah di Majlis Konvokesyen Ke-16, Politeknik Sultan Idris Shah, Selangor: - Nur Farhanah binti Ahmad Nizam - Muhammad Farhan bin Abdul Rashid - Nur Wajihah binti Abul Kassim	7,000.00
	Majlis Belia Selangor Daerah Kuala Selangor	5,000.00
	Pejabat Daerah/Tanah Klang	5,000.00
	Surau Fazwinna, Ibu Pejabat Polis Daerah Sungai Buloh	5,000.00
	PIBG Sekolah Kebangsaan Gedangsa, Kuala Kubu Bharu	3,000.00
	Jabatan Perkhidmatan Pembentukan under Kementerian Sumber Asli, Alam Sekitar dan Perubahan Iklim Football Club ("JPP FC")	3,000.00
	Persatuan Kebajikan Bekas Anggota Skuad 69 PDRM Sarawak	3,000.00
	Kelab Kebajikan Polis Daerah Sungai Buloh	2,000.00
	Pertubuhan Silaturrahim Daerah Tenom	2,000.00
	Police Administrative And Civilian Staff Union	2,000.00
	PIBG Sekolah Menengah Kebangsaan Beserah, Kuantan	2,000.00
	Kelab Sukan Dan Kebajikan Kakitangan Majlis Bandaraya Kuantan	2,000.00
	Sekolah Menengah Kebangsaan Abdul Rahman Talib ("SMART"), Kuantan	2,000.00
	Sekolah Menengah Kebangsaan Sultan Abu Bakar ("SABS"), Kuantan	1,100.00
	Kelab Kebajikan dan Rekreasi Balai Polis Taman Melawati	1,000.00
	Rumah Siraman Kasih, Rawang	1,000.00

## Board of Directors' Profile

### YBHG TAN SRI ROZALI BIN ISMAIL

*Executive Chairman*

Nationality:

**Malaysian**

Gender:

**Male**

Age:

**66**

Date of appointment:

**24 April 1997**

Board attendance:

**Board: 5/5**

YBhg Tan Sri Rozali bin Ismail is the founder of PNSB Water Sdn Bhd (formerly known as Puncak Niaga (M) Sdn Bhd ("PNSB")), Executive Chairman of Puncak Niaga Group and major shareholder of Puncak Niaga. He is also the Chairman of Puncak Niaga's Executive Committee ("EXCO") and Chairman of Puncak Niaga Construction Sdn Bhd's EXCO.



#### Qualification

- Bachelor of Law Degree, University of Malaya

#### Other Directorships In Public Companies And Listed Entities

##### Public Companies

- Executive Chairman, TRIPIC Berhad
- Chairman, Gabungan Wawasan Generasi Felda Berhad

##### Listed Entities

- Nil

#### Working Experience And Occupation

YBhg Tan Sri Rozali began his career as Legal Advisor with the Urban Development Authority before joining Bank Islam (M) Berhad in 1983, where he conceptualised Malaysia's first Islamic banking institution. In 1987, he began his own legal practice specialising in corporate, property and banking.

#### Recognitions

- Technology CEO of the Year - Global Award at the World Finance Technology Awards 2011
- Entrepreneur of the Year 2011 Award at the Asia Pacific Entrepreneurship Awards 2011
- Masterclass Leader Award at the International Standard Quality Award 2011

- International Distinguished Entrepreneur Of The Year for the Asia Pacific International Brands Summit (Malaysia) 2011
- Special Individual Achievement Category at the 1st Malaysia Achievement Awards 2012
- "Utility Man Of The Year" at the Brandlaureate Brand Leadership Award 2014-2015
- "Munisraphoin Medal" by the Prime Minister of Cambodia H.E Hun Sen in 2015
- Certificate of World Business Leader and the Certificate of Excellence in Business Leadership from the World Confederation of Business ("WORLDCOB") in 2015
- World Leader Businessperson by WORLDCOB at The Bizz 2016 and 2017
- Outstanding Leaders in Asia at the Asia Corporate Excellence Sustainability Award 2016 by MORS Group
- Special Achievement Award at the Asia Pacific Entrepreneurship Awards 2019
- Entrepreneur of the Year Award at the Asia's Corporate Excellence and Sustainability Awards ("ACES") in 2021
- Entrepreneur of the Year Category at the Asia Pacific Enterprise Awards ("APEA") in 2022

#### Memberships

- Member of the Malaysian Industry-Government Group for High Technology
- Member of the Malaysian Institute of Directors
- Member of the Malaysian-British Business Council
- Member of the Malaysia-Indonesia Business Council
- Member of the Corporate Malaysia Roundtable
- Member of the Malaysia-Russia Business Council
- Member of the Malaysia India Business Council
- Member of the Commonwealth Partnership for Technology Management
- Member of Yayasan Budi Penyayang Malaysia
- Member of the Malaysian Institute of Management
- Member of Institute of Corporate Directors Malaysia ("ICDM")
- Advisor to Institute of Marketing Malaysia ("IMM")
- Governor for Malaysia of Asia Pacific Marketing Federation Foundation
- Advisor of "Persatuan Bola Sepak Melayu Malaysia"
- Chairman of Gabungan Wawasan Generasi Felda Berhad
- Chairman of Majlis Perundingan Ekonomi Melayu
- Chairman of Indonesia-Malaysia-Thailand ("IMT-GT") Joint Business Council 2021-2022

#### Declaration

- YBhg Tan Sri Rozali is the father of Encik Azlan Shah bin Tan Sri Rozali, who is the Managing Director of Puncak Niaga and a shareholder of Puncak Niaga.
- YBhg Tan Sri Rozali has not been convicted for any offences within the past 5 years nor has he been imposed of any public sanction or penalty by any relevant regulatory bodies in 2022.



## Board of Directors' Profile

### ENCIK AZLAN SHAH BIN TAN SRI ROZALI

Managing Director

Nationality:

**Malaysian**

Gender:

**Male**

Age:

**37**

Date of appointment:

**28 February 2021**

Board attendance:

**Board: 5/5**

Encik Azlan Shah bin Tan Sri Rozali was appointed as Managing Director of the Company on 28 February 2021. He was previously the Alternate Director to YBhg Tan Sri Rozali bin Ismail, the Executive Chairman of the Company since 18 July 2018. He sits on the Board of most of the subsidiary companies of Puncak Niaga Group. He is the Chairman of Puncak Niaga's ESG Sustainability Committee and a member of Puncak Niaga's EXCO and Puncak Niaga Construction Sdn Bhd's EXCO. He was re-designated from General Manager, Business Development Division to Executive Director, Business Development Division of the Company on 1 January 2019. Encik Azlan Shah previously served as the Managing Director of TRIpIc Berhad since 15 October 2019 prior to his appointment as Managing Director of Puncak Niaga.



the Head of Information Technology overseeing the overall of the Information Technology Department of Puncak Niaga Group. In 2010, Encik Azlan Shah joined SYABAS as an Executive and gained exposure and experience in the area of human resources and administration, finance and accounts and operations in SYABAS.

#### Memberships

- Captain, Rejimen Pakar Pengendalian Air ke-60 RAJD ("Askar Wataniah")
- Member of Institute of Corporate Directors Malaysia ("ICDM")

#### Previous Appointment/Re-designation

- **6 January 2016**  
Alternate Director to YBhg Tan Sri Rozali bin Ismail
- **3 August 2016**  
Re-designated as Acting Managing Director
- **18 July 2018**  
Alternate Director to YBhg Tan Sri Rozali bin Ismail

#### Declaration

- Encik Azlan Shah is a shareholder of Puncak Niaga. He is the eldest son of YBhg Tan Sri Rozali bin Ismail, the Executive Chairman and major shareholder of Puncak Niaga.
- Encik Azlan Shah has not been convicted for any offences within the past 5 years nor has he been imposed of any public sanction or penalty by any relevant regulatory bodies in 2022.

#### Qualification

- University Foundation Programme in Business Administration, London School of Commerce, UK
- Bachelor of Arts Degree in Business Studies and Marketing, Middlesex University, London, UK
- "Programme for Leadership Development ("PLD")", Harvard Business School, USA

#### Other Directorships In Public Companies And Listed Entities

##### Public Companies

- Director, TRIpIc Berhad

##### Listed Entities

- Nil

#### Working Experience And Occupation

Prior to his appointment as the Managing Director of Puncak Niaga, Encik Azlan Shah was the Managing Director of TRIpIc Berhad for the period from 15 October 2019 to 28 February 2021, Acting Managing Director of Puncak Niaga and Acting Chief Executive Officer of Puncak Niaga's Oil & Gas Division for the period from 3 August 2016 to 18 July 2018. Before that, he was

## Board of Directors' Profile

### YBHG DATO' SRI ADENAN BIN AB. RAHMAN

*Independent Non-Executive Director*

Nationality:

**Malaysian**

Gender:

**Male**

Age:

**66**

Date of appointment:

**1 December 2017**

Length of tenure as at  
30 March 2023:

**5 years and 4 months**

YBhg Dato' Sri Adenan bin Ab. Rahman was appointed to the Board of Puncak Niaga on 1 December 2017 as an Independent Non-Executive Director. YBhg Dato' Sri Adenan bin Ab. Rahman is the Chairman of Puncak Niaga's Audit Committee, Remuneration Committee and Compliance, Internal Control and Risk Policy Committee and a member of Puncak Niaga's Nomination Committee.

Board and Board Committees' attendance:

**Board: 5/5 AC: 5/5 NC: 3/3 RC: 3/3 CICR: 4/4**



#### Qualification

- Bachelor of Arts in Southeast Asian Studies, University of Malaya
- Master of Arts in Defence Studies, Universiti Kebangsaan Malaysia

#### Other Directorships In Public Companies And Listed Entities

##### Public Companies

- Nil

##### Listed Entities

- Nil

#### Working Experience And Occupation

YBhg Dato' Sri Adenan started his career as Assistant Manager, Lembaga Kemajuan Negeri Pahang in 1979 and had served the Government for more than 38 years in various positions in Departments and Ministries including the Public Service Department of Malaysia, Prime Minister's Department, various Embassies, Ministry of Home Affairs and Ministry of Human Resources.

He had held prominent positions such as First Secretary, Malaysian Embassy for Sarajevo, Bosnia and Herzegovina (1996-2000); Director, Malaysian Friendship and Trade Centre Taipei, Taiwan (2004-2006); Minister Counsellor, Embassy of Malaysia in Jakarta, Indonesia (2006-2007); Director-General, Research Division, Prime Minister's Department (2011-2014); Deputy Secretary-General (Security and Policy), Ministry of Home Affairs (2014-2015); and Secretary-General, Ministry of Human Resources (16 December 2015 - 4 October 2017) prior to his retirement from Government service on 5 October 2017.

He was the former Chairman of Skills Development Fund Corporation, a Federal Statutory Body under the Ministry of Human Resources (2017-2018). He has vast knowledge and experience in administrative matters, diplomatic and international relations, compensation and benefits, human resources, strategy and policy matters at national and international levels.

#### Memberships

- Deputy Chairman of the National Wages Consultative Council, Ministry of Human Resources
- Member of Institute of Corporate Directors Malaysia ("ICDM")

#### Declaration

- YBhg Dato' Sri Adenan does not have any family relationship with any Director and/or major shareholder of the Company, nor does he have any conflict of interest with the Company.
- YBhg Dato' Sri Adenan has not been convicted for any offences within the past 5 years nor has he been imposed of any public sanction or penalty by any relevant regulatory bodies in 2022.



## Board of Directors' Profile

### YBHG PROF EMERITUS DATUK DR MARIMUTHU A/L NADASON

*Independent Non-Executive Director*

Nationality:

**Malaysian**

Gender:

**Male**

Age:

**61**

Date of appointment:

**1 February 2018**

Length of tenure as at  
30 March 2023:

**5 years and 2 months**

YBhg Prof Emeritus Datuk Dr Marimuthu A/L Nadason was appointed to the Board of Puncak Niaga on 1 February 2018 as an Independent Non-Executive Director. YBhg Prof Emeritus Datuk Dr Marimuthu A/L Nadason is the Chairman of Puncak Niaga's Nomination Committee and member of Puncak Niaga's Audit Committee, Remuneration Committee and Compliance, Internal Control and Risk Policy Committee.

Board and Board Committees' attendance:

**Board: 5/5 AC: 5/5 NC: 3/3 RC: 3/3 CICR: 4/4**



#### Qualification

- Doctorate of Business Administration, International American University, USA
- Master in Business Administration ("MBA") (Human Resource Management), International American University, USA
- MBA, Phoenix International University, USA

#### Other Directorships In Public Companies And Listed Entities

##### Public Companies

- Nil

##### Listed Entities

- Nil

#### Working Experience And Occupation

YBhg Prof Emeritus Datuk Dr Marimuthu was conferred an Honorary Professorship in Consumer Behaviour by the Stichting Eurogio University College Netherlands (2014), Honorary Professor and Panel Expert for IIC University of Technology Cambodia (2014), Visiting Professor at the Swiss School of Management as Formal Expertise and Visiting Professor in Consumer Relations by the International University of Georgia (2016).

He is also an accredited Public Relations Practitioner ("APR") by the Institute of Public Relations Malaysia (2005) and a Certified Professional Marketeer ("CPM") by the Asia Marketing Federation (2008).

YBhg Prof Emeritus Datuk Dr Marimuthu was given the title of Professor Emeritus by University Institute for International and European Studies, Netherlands on 27 August 2018. YBhg Prof Emeritus Datuk Dr Marimuthu is a consumer activist, social worker and campaigner with honorary positions in national and international non-governmental organisations.

#### Memberships

- Accredited Public Relations Practitioner ("APR") by the Institute of Public Relations Malaysia (2005)
- Certified Professional Marketeer ("CPM") by the Asia Marketing Federation (2008)
- Chairman, Malaysian Standards and Accreditation Council, Department of Standards Malaysia, Ministry of International Trade and Industry (2018 - 2020)
- Commissioner, National Water Services Commission ("SPAN") (2007 - 2017)
- President, Federation of Malaysian Consumers Association (2004 - Present)
- Independent Director, Ombudsman For Financial Services (previously known as Financial Mediation Bureau) (2004 - August 2020)
- Member of Institute of Integrity Malaysia (2004 - Present)
- Chief Executive Officer, Education and Research Association for Consumers (1997 - Present)
- President, Consumers International, London (2019 - 2023)
- Chairperson, Asian Partnership for Development of Human Resources in Rural Asia, Philippines (2006 - 2010)
- Member of Institute of Corporate Directors Malaysia ("ICDM")

#### Declaration

- YBhg Prof Emeritus Datuk Dr Marimuthu does not have any family relationship with any Director and/or major shareholder of the Company, nor does he have any conflict of interest with the Company.
- YBhg Prof Emeritus Datuk Dr Marimuthu has not been convicted for any offences within the past 5 years nor has he been imposed of any public sanction or penalty by any relevant regulatory bodies in 2022.

## Board of Directors' Profile

### YBHG DATUK SR HAJI JOHARI BIN WAHAB

*Independent Non-Executive Director*

Nationality:

**Malaysian**

Gender:

**Male**

Age:

**58**

Date of appointment:

**10 February 2020**

Length of tenure as at  
30 March 2023:

**3 years and 1.5 months**

YBhg Datuk Sr Haji Johari bin Wahab was appointed to the Board of Puncak Niaga on 10 February 2020 as an Independent Non-Executive Director. He is a member of Puncak Niaga's Audit Committee, Nomination Committee, Remuneration Committee and Compliance, Internal Control and Risk Policy Committee.

Board and Board Committees' attendance:

**Board: 5/5 AC: 5/5 NC: 3/3 RC: 3/3 CICR: 4/4**



#### Qualification

- Honours Degree in Land Surveying, University Technology Malaysia

#### Other Directorships In Public Companies And Listed Entities

##### Public Companies

- Nil

##### Listed Entities

- Nil

#### Working Experience And Occupation

YBhg Datuk Sr Haji Johari has more than 33 years' experience in all types of surveying works such as underground utility detection and mapping, cadastral survey, construction survey, engineering survey and oil and gas industry. He gained vast experience as a land surveyor since 1988 when he started his career with Geotex Surveyor Pte Ltd before moving on to Projass Engineering Sdn Bhd and Ranhill Engineers & Constructors Sdn Bhd.

YBhg Datuk Sr Haji Johari left Ranhill Engineers & Constructors Sdn Bhd to establish his own company known as AJ Surveyors & Engineering until AJ Surveyors was registered as a Land Surveyor firm with Lembaga Jurukur Tanah Malaysia in November 2011. He is the Principal of AJ Surveyors.

#### Memberships

- Board Member of Land Surveyors Board Malaysia
- President of Association of Competent Utility Mappers Malaysia ("UMAP MALAYSIA") for 2021/2023 session
- Member of the Executive Council, Association of Authorised Land Surveyors Malaysia ("PEJUTA")
- Chairman of the Geomatic & Land Surveying Division
- Fellow of the Royal Institution of Surveyors Malaysia ("RISM")
- Member of Koperasi Jurukur Tanah Berlesen Berhad ("KOJUTA")
- Member of Institute of Corporate Directors Malaysia ("ICDM")
- Member of Board Studies of School of Computing, University Utara Malaysia for new postgraduate programme, Masters of Science ("Geometries for Disaster Risk Reduction - GeoDRR")
- Previous Co-Chairman of the International Conference Geomatic & Geospatial Technology 2017-2018 ("GGT 2017", "GGT 2018", "GGT 2019" & "GGT 2021")
- Previous Chairman of the Organising Committee for Subsurface Asset Management & Surveying Seminar 2017 & 2019 ("SAM'S 17" & "SAM'S 2019")
- Previous Chairman of Seminar Geomatik Kebangsaan 2021

#### Declaration

- YBhg Datuk Sr Haji Johari does not have any family relationship with any Director and/or major shareholder of the Company, nor does he have any conflict of interest with the Company.
- YBhg Datuk Sr Haji Johari has not been convicted for any offences within the past 5 years nor has he been imposed of any public sanction or penalty by any relevant regulatory bodies in 2022.



## Board of Directors' Profile

### YM TENGKU LORETA BINTI TENGKU DATO' SETIA RAMLI ALHAJ

*Independent Non-Executive Director*

Nationality:

**Malaysian**

Gender:

**Female**

Age:

**49**

Date of appointment:

**10 February 2020**

Length of tenure as at 30 March 2023:

**3 year and 1.5 months**

YM Tengku Loreta binti Tengku Dato' Setia Ramli Alhaj was appointed to the Board of Puncak Niaga on 10 February 2020 as an Independent Non-Executive Director. She is a member of Puncak Niaga's Audit Committee, Nomination Committee, Remuneration Committee and Compliance, Internal Control and Risk Policy Committee.

Board and Board Committees' attendance:

**Board: 5/5 AC: 5/5 NC: 3/3 RC: 3/3 CICR: 4/4**



by venturing into the government sector. She was a former Special Officer to the Group CEO of Malaysian Green Technology Corporation ("MGTC") (September 2014 to April 2017) and represented Malaysia at the EXPO 2017 in Astana, Kazakhstan (April 2017 to September 2017) as the Head of Protocol & Public Relations for the Malaysian Pavilion. After MGTC, YM Tengku Loreta returned to the private sector where she managed large scale renewable energy projects.

A strong champion of social and environmental sustainability, YM Tengku Loreta has been an active campaigner, president and member with honorary positions in numerous charitable organisations. She was an active member of Soroptimist International Club of Ampang from 2004 to 2008 before she was elected the President of the Club (2008 to 2010). YM Tengku Loreta is also a lifetime member of Rumah Amal Cahaya Tengku Ampuan Rahimah ("RACTAR"). During her tenure at MGTC, she successfully launched the #MyButterflyEffect campaign, where every social media post supporting green growth during the EXPO 2017 in Astana would be matched with more solar panels by the Government.

In 2019, YM Tengku Loreta founded and officially launched MySayang Malaysia Organization, a Non-Government Organization that focuses on green initiatives in Malaysia as part of an effort to make Malaysia a more environmentally sustainable country.

#### Qualification

- Bachelor of Arts Degree in Communications Studies, Western Michigan University, USA
- Deans List 1995 School of Communications, with a minor in Philosophy, Western Michigan University, USA
- Master of Arts in Telecommunications Management, Ohio University, USA

#### Other Directorships In Public Companies And Listed Entities

##### Public Companies

- Nil

##### Listed Entities

- Nil

#### Working Experience And Occupation

With over 22 years of diverse experience covering both the private and public sector, she brings strong business leadership, partnerships, and industry sustainability and renewable energy.

Starting her career in 1998 with MEASAT Broadcast Network System Sdn. Bhd. as a broadcast journalist, she then joined Kontena Nasional in June 2010, driving the Business Development Unit in the CEO's Office. YM Tengku Loreta subsequently pursued her passion in sustainability

#### Memberships

- President of the Soroptimist International Club of Ampang (2008 - 2010)
- Lifetime member of Rumah Amal Cahaya Tengku Ampuan Rahimah ("RACTAR")
- Founder of MySayang Malaysia Organization
- Member of Malaysian Green Technology and Climate Change Centre (formerly known as Malaysian Green Technology Corporation) ("MGTC")
- Member of Institute of Corporate Directors Malaysia ("ICDM")

#### Declaration

- YM Tengku Loreta does not have any family relationship with any Director and/or major shareholder of the Company, nor does she have any conflict of interest with the Company.
- YM Tengku Loreta has not been convicted for any offences within the past 5 years nor has she been imposed of any public sanction or penalty by any relevant regulatory bodies in 2022.

## Board of Directors' Profile

### TUAN HAJI NOOR FAIZ BIN HASSAN

*Independent Non-Executive Director*

Nationality:

**Malaysian**

Gender:

**Male**

Age:

**53**

Date of appointment:

**1 October 2020**

Length of tenure as at  
30 March 2023:

**2 years and 6 months**

Tuan Haji Noor Faiz bin Hassan was appointed to the Board of Puncak Niaga on 1 October 2020 as an Independent Non-Executive Director. He is a member of Puncak Niaga's Audit Committee, Nomination Committee, Remuneration Committee and Compliance, Internal Control and Risk Policy Committee.

Board and Board Committees' attendance:

**Board: 5/5 AC: 5/5 NC: 3/3 RC: 3/3 CICR: 4/4**



#### Memberships

- Chairman of Board of Visitors for Bagan Specialist Centre in Butterworth
- Member of the National Autism Society of Malaysia ("NASOM")
- Member of Malaysian Institute of Accountants (C.A. (M))
- Member of Institute of Corporate Directors Malaysia ("ICDM")

#### Declaration

- Tuan Haji Noor Faiz does not have any family relationship with any Director and/or major shareholder of the Company, nor does he have any conflict of interest with the Company.
- Tuan Haji Noor Faiz has not been convicted for any offences within the past 5 years nor has he been imposed of any public sanction or penalty by any relevant regulatory bodies in 2022.

#### Qualification

- Bachelor of Accounting (Honours) Degree, University Utara Malaysia (1995)

#### Other Directorships In Public Companies And Listed Entities

##### Public Companies

- Nil

##### Listed Entities

- Nil

#### Working Experience And Occupation

Tuan Haji Noor Faiz started his career with KB Wong & Co in 1995 as an Audit Senior and is presently an Audit Manager in KB Wong & Co. He has more than 27 years' experience in corporate audit and taxation.



## Board of Directors' Profile

### YBHG TAN SRI DR MADINAH BINTI MOHAMAD

Independent Non-Executive Director

Nationality:

**Malaysian**

Gender:

**Female**

Age:

**67**

Date of appointment:

**1 December 2022**

Length of tenure as at  
30 March 2023:

**4 months**

YBhg Tan Sri Dr Madinah binti Mohamad was appointed to the Board of Puncak Niaga on 1 December 2022 as an Independent Non-Executive Director. She is a member of Puncak Niaga's Audit Committee, Nomination Committee, Remuneration Committee and Compliance Internal Control and Risk Policy Committee.

Board and Board Committees' attendance\*:

**Board: N/A AC: N/A NC: N/A RC: N/A CICR: N/A**



#### Qualification

- Bachelor's Degree in Social Sciences (Political Science) from Universiti Sains Malaysia
- Master's Degree in Human Resource Development, Universiti Putra Malaysia
- Doctorate in Human Resource Development, Universiti Putra Malaysia

#### Other Directorships In Public Companies And Listed Entities

##### Public Companies

- Nil

##### Listed Entities

- Independent Non-Executive Director of Ahmad Zaki Resources Berhad
- Independent Non-Executive Director of Tomei Consolidated Berhad

#### Working Experience And Occupation

YBhg Tan Sri Dr Madinah has over 35 years of experience in the public service, holding various positions in several ministries and departments as Secretary General of the Ministry of Science, Technology & Innovation (MOSTI) and Secretary General of the Ministry of Education ("MOE"). Her final leg in the public service was as Auditor General of Malaysia.

She was appointed the Auditor General of Malaysia on 22 February 2017 until her contract ended in 2019. She is the first woman to hold the position since the establishment of the National Audit Department.

YBhg Tan Sri Dr Madinah had served as the Secretary General of MOE before her retirement in September 2016. She held the position since June 2013. She was very much involved in policy guidance and administration of the Ministry, and was directly involved in driving the education transformation agenda. These included creating a clear vision and direction for the execution of the Malaysia Education Blueprint 2013-2025 to meet the new demands and expectations of stakeholders and the citizens.

Prior to that, she was appointed the Secretary General, MOSTI in April 2009, where she was instrumental in policy formulation and implementation, and held direct responsibility for the development of science, technology and innovation in Malaysia. The drafting and final National Space Policy and National Innovation Policy were her more significant contributions. The implementation and development of related policies which were already endorsed by the Government, such as Biotechnology Policy, ICT Policy and National Science, Technology and Innovation Policy as a whole also came under her purview.

She began her career as an Administrative and Diplomatic Officer in 1981 with the Ministry of Foreign Affairs.

YBhg Tan Sri Dr Madinah also served on multiple boards of GLCs during her tenure as Secretary General of MOSTI and as Secretary General of MOE, most notably on the boards of Securities Commission, Malaysia Digital Economy Corporation Sdn Bhd, Malaysian Communications and Multimedia Commission and many others. YBhg Tan Sri Dr Madinah currently sits on the Board of Ahmad Zaki Resources Berhad and Tomei Consolidated Berhad.

#### Memberships

- Member of Pengajian Program (JKPP) Program Bachelor Sains Pembangunan Sumber Manusia Dengan Kepujian, Fakulti Pengajian Pendidikan, Universiti Putra Malaysia
- Member of Institute of Corporate Directors Malaysia ("ICDM")

#### Declaration

- YBhg Tan Sri Dr Madinah does not have any family relationship with any Director and/or major shareholder of the Company, nor does he have any conflict of interest with the Company.
- YBhg Tan Sri Dr Madinah has not been convicted for any offences within the past 5 years nor has she been imposed of any public sanction or penalty by any relevant regulatory bodies in 2022.

\* Note: YBhg Tan Sri Dr Madinah binti Mohamad was only appointed to the Board of the Company on 1 December 2022. Hence, she did not attend any Board/Board Committees' Meetings as none were held in December 2022.

## Key Personnel Profile - Puncak Niaga Group

### TUAN SYED BADLI SHAH BIN SYED MANSOOR

*Executive Director, Operations Division/Managing Director,  
Puncak Niaga Construction Sdn Bhd*

**MY** NATIONALITY

**GENDER**

**56** AGE

Tuan Syed Badli Shah bin Syed Mansoor was appointed as the Executive Director, Operations Division of Puncak Niaga and Managing Director of Puncak Niaga Construction Sdn Bhd on 1 October 2021.

He graduated from Universiti Teknologi Malaysia in 1991 with a degree in Mechanical Engineering and has about 30 years of experience in the construction industry, water and wastewater operations and maintenance projects and solid waste management. He is a member of NIOSH and a graduate member of IEM and BEM.

He started his career as a Mechanical Engineer in JCM Sdn Bhd in 1991 before joining Perbadanan Kilang Felda as Plant Engineer from July 1991 to 1993. In 1993, he served as the Chief Engineer for Johor Aluminium Processing Sdn Bhd. He then joined Linde Industrial Gases Sdn Bhd in 1996 as General Production Manager and was involved in the construction of three (3) acetylene plants and four (4) filling stations for industrial gases during his tenure. Thereafter, he joined Alam Flora Sdn Bhd in 2002 where he was appointed as the Plant/Facilities Planning Manager. In 2005, he joined WWE Holdings Bhd where he held the position of Business Development Manager/Jeddah Branch Manager and was a Project Director for Jeddah Sewer Networks.

He joined Puncak Niaga in 2013 as General Manager of the Non-Water Department, Engineering/Project Development Division. In 2019, he was given the responsibility to head the FMS Department, ZIP2, TRIplc Berhad and in year 2020, he was given the responsibility to head the D44 Project, Puncak Niaga Construction Sdn Bhd. Prior to his appointment as the Executive Director, Operations Division of Puncak Niaga and Managing Director of Puncak Niaga Construction Sdn Bhd on 1 October 2021, he was given the task to head the Business and Technical Department in handling new businesses/projects for the Company.

He was previously the Secretary for Corporate Safety and Health Puncak Niaga Holdings Berhad and the past Chairman of the Safety and Health Committee for Wisma Rozali. He is Puncak Niaga's and Puncak Niaga Construction Sdn Bhd's Management Representative in the implementation and maintenance of the Quality Management System ("QMS"), Environmental Management System ("EMS"), and Occupational Health, Safety ("QH&S") Management System, and Anti-Bribery Management Systems ("ABMS").

Tuan Syed Badli is a member of Puncak Niaga's EXCO and Puncak Niaga Construction Sdn Bhd's EXCO. He also holds directorships in several subsidiary companies of Puncak Niaga Group.

### MADAM LIM MUN LEE

*Acting Executive Director, Finance Division*

**MY** NATIONALITY

**GENDER**

**48** AGE

Madam Lim Mun Lee graduated from Monash University, Australia with a Bachelor of Business (Major in Accounting). She is a member of CPA Australia and Malaysian Institute of Accountants ("MIA"). She has vast experience of more than 27 years in various areas covering auditing, accounting, taxation, finance, strategic financial management and corporate banking.

Madam Lim started her career in 1997 as an auditor in a well established accounting firm. She had served diligently and made her way up to management level at several public listed companies and multinational companies, including 6 years in Scomi Oilfield Limited (an oilfield services subsidiary under Scomi Group Bhd), 3 years in TRIplc Berhad and 2 years in SYABAS.

Madam Lim joined Puncak Niaga in April 2015 as General Manager, Finance & Accounts Department and was appointed as Acting Executive Director, Finance Division on 9 June 2022 where she oversees the overall finance and accounts function of Puncak Niaga Group.

Madam Lim is a member of Puncak Niaga's EXCO and Puncak Niaga Construction Sdn Bhd's EXCO. She also holds directorships in several subsidiary companies of Puncak Niaga Group.



## Key Personnel Profile - Puncak Niaga Group

### ENCIK TAUFIK AFENDY BIN OTHMAN

*Acting Managing Director, TRIpIc Berhad*

**MY** NATIONALITY

**GENDER**

**54** AGE

Encik Taufik Afendy bin Othman was appointed as the Acting Managing Director, TRIpIc Berhad Group of Companies on 1 January 2023. Prior to that, he was the Senior General Manager, Facility Management Services Z1P2 since September 2021.

He graduated from Universiti Teknologi Malaysia with a Bachelor's Degree in Chemical Engineering in 1992 and obtained a Master's Degree in Industrial Safety Management from Universiti Kebangsaan Malaysia in 2000. He is a certified Safety and Health Officer, Lead Assessor for QMS (ISO 9002), SMS (OHSAS 18001), EMS (ISO 14001), Facilities Management Manager with CIDB and a Facility Management Specialist (Healthcare Services) with OTHM, UK.

Upon his graduation in 1992, he started his career as a Production Engineer in Malaysian Sheet Glass (M) Sdn Bhd before joining H&R Johnson (M) Sdn Bhd as an Engineer from December 1994 till March 1997.

In April 1997, he joined PNSB and was promoted to Health, Safety and Quality Management Manager in year 2004. He subsequently joined SYABAS in June 2005 and served there until 2013 with his last held position as General Manager, Administration Department. In October 2013, he joined Arena Terbaik Sdn Bhd as Managing Director for 4 years until September 2017.

He then joined TRIpIc Berhad Group of Companies in October 2017 as General Manager, Human Resource & Administration. He was transferred to lead the Facility Management Services ("Z1P2") Division in December 2019 and was subsequently promoted to Senior General Manager in September 2021. He has more than 31 years of experience in the areas of Engineering, Quality, Safety and Environment and Facilities Management.

### YBHG PROF DATO' DR MOHD ZAINUL FITHRI BIN OTHMAN

*Executive Director, Public Relations & Business Development Division*

**MY** NATIONALITY

**GENDER**

**58** AGE

YBhg Prof Dato' Dr Mohd Zainul Fithri bin Othman was appointed as the Executive Director, Strategic Resource and Public Relations Division of PNSB on 4 March 2014. He is currently the Executive Director, Public Relations Division and Business Development Division of Puncak Niaga.

His passion in the field of education was evident since the early days of his career. YBhg Prof Dato' Dr Mohd Zainul Fithri started his profession as a lecturer at Universiti Sains Malaysia in 1994 and 6 years later, he was attached to Unitek College Malaysia as the President/CEO. He then served as the Director of Management Studies of the World Enterprise Institute at the International Medical University ("IMU") in 2000. In the same year, he was attached to Institut Kajian Pembangunan Bangsa as the CEO and as an Associate Professor of the Faculty of Humanities and Social Sciences, Universiti Tun Abdul Razak. He was the Chairman of the International Society of Business Administration Center Malaysia, and was also the Political Secretary to the Minister in the Prime Minister's Department, YAB Dato' Seri Dr Ahmad Zahid Hamidi from 2008 until 2009.

YBhg Prof Dato' Dr Mohd Zainul Fithri held various prominent positions in Management & Science University ("MSU") and had served at the institution for a considerable number of years. During his stint, he was appointed as the Vice President/Deputy Vice Chancellor of Industrial Linkages & Students Career Development in 2003, a position he held before he joined PNSB in 2014. He was also appointed as the Dean at Centre of Flexible Learning, and simultaneously, a Director of Akademi Kaunseling Komuniti Malaysia ("AKKMA") in 2006. He was promoted as a Full Professor in Policy and Leadership Studies in 2008.

YBhg Prof Dato' Dr Mohd Zainul Fithri holds a Bachelor of Science majoring in Political Science from Oregon State University, Corvallis, United States in 1988 and a Master of Arts ("MA") in International Relations (Security and International Political Economy) from University of Hull, United Kingdom in 1990. He also holds a Doctor of Philosophy in Global Political Economy from University of Sheffield, United Kingdom since 1994.

## Key Personnel Profile - Puncak Niaga Group

### MADAM TAN BEE LIAN

*Executive Director, Corporate Services Division*

**MY** NATIONALITY

**GENDER**

**57** AGE

Madam Tan Bee Lian joined PNSB as Company Secretary on 7 November 1994 and was promoted thrice before assuming the position of Executive Director, Corporate Services Division, PNSB on 1 January 2010. In her current position as Executive Director, Corporate Services Division of Puncak Niaga, she oversees the Legal Department and Secretarial Department.

As Group Company Secretary, Madam Tan is responsible for Puncak Niaga Group's company secretarial and regulatory compliance. Madam Tan is a member of Puncak Niaga's EXCO and holds directorships in Puncak Niaga's subsidiaries, namely Sino Water Pte Ltd and Puncak Niaga Management Services Sdn Bhd.

Madam Tan is a Fellow (Chartered Secretary and Chartered Governance Professional) of the Malaysian Association of the Institute of Chartered Secretaries and Administrators ("MAICSA") and has more than 35 years of working experience in company secretarial practice and corporate work.

She had previously served on MAICSA's sub-committees and taskforce on law review and company secretarial practice and public affairs and is currently a member of MAICSA's National Disciplinary Tribunal. She had previously worked with Projek Lebuh raya Utara-Selatan Berhad ("PLUS") and Metramac Corporation Sdn Bhd/Metacorp Berhad and was the winner of the ROC-MAICSA Company Secretary Award 2001 for the Listed Company Category.

### PUAN FARIDATULZAKIAH BINTI MOHD BAKHRY

*Executive Director, Human Resources & Administration Division*

**MY** NATIONALITY

**GENDER**

**47** AGE

Puan Faridatulzakiah holds a Degree in Law (LLB, Hons) from Hertfordshire University, United Kingdom.

She started her legal career at Messrs Malek & Associate in 2003, handling civil and criminal cases. In 2006, she served as Legal Officer in Great Eastern Life Assurance (Malaysia) Berhad where she was exposed to Human Resources and Industrial Relations matter.

She then joined SYABAS in 2008 as Assistant Manager, Legal Department and subsequently was promoted to Manager of Industrial Relations a year later before being promoted as Senior Manager in 2010. She continued leading the department until she joined PNSB in 2012 as Assistant General Manager of the Human Resources & Administration Division, overseeing the full spectrum of Human Resources Management.

On 1 February 2013, Puan Faridatulzakiah assumed the position of Executive Director, Human Resources & Administration Division of Puncak Niaga Management Services Sdn Bhd. She is responsible for overseeing the overall administration of Puncak Niaga Group of Companies comprising Human Resources, Administration, Security and Staff Associations. She is the President of Puncak Niaga Group's Staff Welfare Association ("PEKA") which is a key platform of welfare, team building and engagement activities between Puncak Niaga Group's employees. Puan Faridatulzakiah is a member of Puncak Niaga's EXCO and Puncak Niaga Construction Sdn Bhd's EXCO. She holds directorships in most of Puncak Niaga's subsidiaries.



## Key Personnel Profile - Puncak Niaga Group

### ENCIK MUHAMMAD HAFIDZI BIN ABU BAKAR

*Executive Director, Finance, Danum Sinar Sdn Bhd*

**MY** NATIONALITY

**GENDER**

**50** AGE

Encik Muhammad Hafidzi bin Abu Bakar was appointed as the Executive Director, Finance of Danum Sinar Sdn Bhd ("DSSB") on 25 October 2022.

He graduated from International Islamic University Malaysia in year 1997 with Bachelor in Accounting (Hons) and obtained his Master of Business Administration (Finance) from Infrastructure University Kuala Lumpur in year 2012.

Encik Muhammad Hafidzi has approximately 25 years of working experience including 10 years in public listed companies and possesses extensive experience in accounting field from various industries i.e. plantation, construction/ engineering, trading and education.

He started his career with Grant Thornton Malaysia PLT as an Auditor for 4 years. Prior to joining DSSB, he was attached with Pinehill Pacific Berhad ("PinePac") as Group Financial Controller since February 2020.

His major achievement in PinePac was completing the in-house business valuations on investments in plantation, healthcare and IT companies to rationalise the Affected Listed Issuer status of PinePac. He also initiated the improvement of internal controls on financial operations of PinePac's Indonesian subsidiaries, especially on procurement, contract payments, inventory records and reporting.

Encik Muhammad Hafidzi had been conferred as a Chartered Accountant by Malaysian Institute of Accountants ("MIA") in 2011 and he is also a registered Practising Company Secretary with Companies Commission of Malaysia ("CCM").

### ENCIK ROSLAN BIN OTHMAN

*Plantation Director, Danum Sinar Sdn Bhd*

**MY** NATIONALITY

**GENDER**

**56** AGE

Encik Roslan bin Othman holds a Diploma in Planting Industry and Management, School of Applied Science from Universiti Teknologi Mara ("UiTM") and has almost 35 years of working experience in the oil palm plantation industry and other agro-related fields in Malaysia and Indonesia.

He began his career with Boustead Plantations Berhad in 1989 where he oversaw various oil palm, rubber and cocoa estates, managing new plantings, replanting and estate operations. In 2013, he joined Noble Plantations Pte Ltd, PT Henrison Inti Persada of West Papua, Indonesia where he led the rehabilitation programme for Plasma schemes and was the lead trainer for young planters on Roundtable Sustainable Palm Oil ("RSPO")/Indonesian Sustainable Palm Oil ("ISPO") compliance and estate sustainability.

Prior to joining Danum Sinar Sdn Bhd ("DSSB") as Plantation Director on 30 January 2023, Encik Roslan was previously the Head of Operation at PT RAFI Kamajaya Abadi, a subsidiary of TDM Berhad. He was subsequently promoted to President Director prior to being transferred to TDM Berhad's headquarters and re-designated as Plantation Controller for approximately 7 years where he was responsible for overseeing 13 oil palm estates with a total of 33,000 hectares (both mature and immature lands) and 2 palm oil mills. He was also involved in strategy business development, project management and operations as well as redefining the needs for oil palm yield improvement, sustainable profitability, handling stakeholder conflicts between the local natives and regulators in Kalimantan and resolving internal management issues such as mismanagement and integrity related cases.

#### Notes:

Save as disclosed above, none of the Key Personnel has:

- Any family relationship with any Director and/or major shareholder of the Company except for Puan Faridatulzakiah who is the niece of the Executive Chairman and cousin of the Managing Director of the Company.
- Any conflict of interest with the Company.
- Any conviction for offences within the past five (5) years and any public sanction or penalty imposed by the relevant regulatory bodies during the financial year, other than traffic offences.

# Corporate Governance Overview Statement

**The Board of Directors (“Board”) of Puncak Niaga Holdings Berhad (“Puncak Niaga”) is responsible to its stakeholders, including the Company’s shareholders, for the approval and delivery of the Group’s strategic objectives. It ensures that the necessary financial, technical and human resources are in place for the Company to meet its objectives. The Board leads the Group within a framework of practical and effective controls which enables risks to be assessed and managed.**





In recognition of the Company’s ongoing efforts to improve on its corporate governance practices, the Company’s commitment to the highest standards of annual report disclosure garnered a fourth consecutive Gold Award at the 2022 Australasian Reporting Award (“ARA Award”) in Australia on 18 July 2022. The Company was also awarded the Asia Responsible Enterprise Awards 2022: Outstanding & Exemplary Achievements in Sustainability & Responsible Entrepreneurship (Corporate Governance Category) on 21 July 2022.

Responsibility for the development and implementation of the Group’s strategy and overall commercial objectives is delegated to the Managing Director who is supported by Puncak Niaga’s Executive Committee (“EXCO”). The Group’s principal decision-making body is the Board. In line with both the Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”) and the Malaysian Code on Corporate Governance 2021 (“MCCG 2021”), the Board Committees assist the Board by fulfilling their roles and responsibilities, focusing on their respective activities, reporting to the Board on decisions and actions taken, and making any necessary recommendations in line with their Terms of Reference. The Terms of Reference of the Board Committees comply with the provisions of the MCCG 2021 and was last updated on 23 September 2021.

The Board Committees’ structure is detailed in the governance framework below and the key responsibilities of the Board and roles of the Directors of the Company are set out on pages 86 to 88 of this Annual Report.

## Board of Directors

Responsible for effective stewardship and control of the Group

<b>Board</b> The Board's roles are to understand and meet its obligations to the Company's stakeholders; lead the Group within a framework of practical and effective controls which enable risks to be assessed and managed; approve the Group's strategic objectives and ensure that sufficient resources are available to enable it to meet those objectives; and monitor and review the operating and financial performance of the Group. It has responsibility and accountability for the long term success of the Group. Detailed roles and responsibilities of the Board can be found in our Board Charter, accessible online through <a href="http://www.puncakniaga.com.my">www.puncakniaga.com.my</a> .	<b>Executive Chairman</b> Leads our unified Board, ensuring that the principles and processes of the Board are maintained in line with our Board Charter which is available online at <a href="http://www.puncakniaga.com.my">www.puncakniaga.com.my</a> .	<b>Audit Committee</b> The Audit Committee assists the Board in discharging its responsibilities for the integrity of the Company's financial statements, the assessment of the effectiveness of the systems of Internal Controls, Risk Management and the internal and external Auditors.  More information can be found on pages 99 to 102.	
<b>Compliance, Internal Control and Risk Policy Committee</b> The Compliance, Internal Control and Risk Policy Committee provides guidance and direction to the Company's Compliance and Internal Control programmes. It also reviews the Group's risks and opportunities.  More information can be found on pages 104 to 111.	<b>Nomination Committee</b> The Nomination Committee assists the Board by keeping the structure, size, composition and succession needs of the Board under review. It also assists the Board on issues of Directors' conflicts of interest and independence.  More information can be found on pages 91 to 92.	<b>Executive Committee</b> The EXCO operates under the direction and authority of the Executive Chairman/Managing Director overseeing the development and execution of strategy. It also has accountability for achieving financial and operational performance.	<b>Remuneration Committee</b> The Remuneration Committee determines the Company's policy on the remuneration of Executive Directors, Senior Management and the Chairman of the Board.  More information can be found on pages 96 to 97.
	<b>ESG Sustainability Committee</b> The ESG Sustainability Committee was established on 1 September 2022 to support the Board's leadership and oversight on the integration of sustainability considerations in Puncak Niaga's corporate strategy, governance and decision making processes as sustainability and its underlying ESG issues become increasingly material to Puncak Niaga's ability to create durable and sustainable value and maintain confidence of its stakeholders. The ESG Sustainability Committee is a cross-functional management committee chaired by the Managing Director and is an integral component of Puncak Niaga's ESG and sustainability processes.	<b>Managing Director</b> Delegated responsibility for the development and implementation of the Group's strategy and overall commercial objectives. Responsible for the day-to-day management of the business and the communication of Board agreed objectives to employees. Reports directly to the Executive Chairman. Further details of the roles and responsibilities of the Managing Director can be found in our Board Charter, which is available online at <a href="http://www.puncakniaga.com.my">www.puncakniaga.com.my</a> .	
		<b>Malaysian Code on Corporate Governance 2021</b> The Malaysian Code on Corporate Governance 2021 ("MCCG 2021") is applicable to the current reporting period. The MCCG 2021 is available at Securities Commission's website at <a href="http://www.sc.com.my">www.sc.com.my</a> . This Corporate Governance Overview Statement is to be read in conjunction with the Corporate Governance Report, which is available online at <a href="http://www.puncakniaga.com.my">www.puncakniaga.com.my</a> . Puncak Niaga was generally compliant with the provisions set out in the MCCG 2021 for the period under review.	



## Corporate Governance Overview Statement



### BOARD LEADERSHIP AND EFFECTIVENESS

#### Board Responsibilities And Roles Of The Executive Chairman, Managing Director, Executive Directors And Independent Non-Executive Directors Of The Company

The Board is guided by the Board Charter which sets out the Board's strategic intent and the specific roles and responsibilities to be discharged by the Board members collectively in discharging its fiduciary and leadership functions, the individual roles expected from the Executive Chairman, Managing Director, Executive Directors and Independent Non-Executive Directors ("INEDs") and the roles of the respective Board Committees.

During the year, the Board's composition was refreshed with the appointment of 1 female Independent Non-Executive Director ("INED"). Hence, the Board comprises 8 members of which 6 are the INEDs with 2 female INEDs; all with length of tenure of less than 6 years.

The Board is responsible for the stewardship of the Company and in discharging its obligations.

The key responsibilities of the Board are:-

- Providing leadership and vision to the Company that enhances shareholder value and also ensures long term sustainable development and growth of the Company.
- Reviewing and adopting a strategic plan for the Company.
- Overseeing the conduct of the Company's businesses and ensuring the appropriate corporate disclosure policies and procedures.
- Identifying principal risks and ensuring the implementation of appropriate internal controls and mitigation measures and establishing a sound framework to manage risks and to prevent fraud.
- Retaining full and effective control over the Company, and monitor the Management in implementing the Board's plans and strategies including the financial and non-financial performance measurements.
- Succession planning.

#### Executive Chairman

- Leadership of the Board and the Group
- Ensures Board effectiveness
- Represents the Board to the shareholders
- Ensures integrity and effectiveness of the corporate governance process of the Group
- Sets Board Agenda

#### Managing Director

- Implements policies and strategies as approved by the Board and reports to the Executive Chairman/Board
- In association with the Executive Chairman, is accountable to the Board for the achievement of the Company's goals and performance targets
- Ensures the assets of the Company are adequately maintained and protected, and not unnecessarily placed at risk

#### Executive Directors

- Responsible for the operational and business units, organisational effectiveness and implementation of the Board's policies, directives, strategies and decisions

#### Independent Non-Executive Directors

- Brings an external perspective and effective challenge to the Board
- Provides the relevant checks and balances, focusing on shareholders' and other stakeholders' interests
- Ensures effective corporate governance process is applied

## Corporate Governance Overview Statement

### Company Secretaries

The Company Secretaries are responsible for advising the Board on regulatory compliance matters and providing good information flow and comprehensive practical support to Directors, both as individuals and collectively, with particular emphasis on supporting the Non-Executive Directors in maintaining the highest standards of probity and corporate governance. The Company Secretaries are also responsible for ensuring the Group's compliance with the relevant statutory and regulatory requirements. All Directors have unrestricted access to the advice and services of the Company Secretaries to facilitate the discharge of their duties.

The Company Secretaries of Puncak Niaga are qualified to act under Section 235(2) of the Companies Act, 2016 and one of whom is a Fellow (Chartered Secretary and Chartered Governance Professional) of the Malaysian Institute of Chartered Secretaries and Administrators ("MAICSA").

### Matters Reserved For The Board

The schedule of Matters Reserved for the Board sets out the processes in place regarding the Board's tasks and activities and matters specifically reserved for the Board's decision-making are set out in our Board Charter which has been updated in September 2021 and is available online at [www.puncakniaga.com.my](http://www.puncakniaga.com.my).

The Matters Reserved for the Board's decision are:-

Financial

Statutory and Administrative

Regulatory

Manpower

### Board Meetings And Board Activities In 2022

The Board held five (5) Meetings during the year with the full attendance of all members of the Board save and except for YBhg Tan Sri Dr Madinah binti Mohamad who did not attend the Meetings as she was only appointed to the Board on 1 December 2022 and there was no Board Meeting held in December 2022.

The Board primarily focused on strategic matters, in particular, various matters relating to the Group's businesses and finances. Significant time was spent on financial, business performance and sustainability as well as assessing and deliberating on the strategic direction of the Company. The Board Charter and Terms of Reference of the Board Committees comply with the provisions of the MCGG 2021 and were last updated on 23 September 2021.

Despite the Government's decision to lift the strict SOPs to combat COVID-19, the Board continued to ensure preventive measures were observed, inter alia, physical distancing, regular use of hand sanitisers and face masks at the Board, Board Committees' Meetings and other Company meetings with the objective to ensure these practices become a regular Standard Operating Procedure in the Company and the Group.

### Independence

The independence of our INEDs is formally reviewed annually by the Nomination Committee. The Nomination Committee and the Board consider that there are no businesses or other circumstances that are likely to affect the independence of any INED and that all INEDs continue to demonstrate their independence.

As at the end of the financial year under review, our INEDs comprise more than 75% of the Board's composition and the length of tenure of our INEDs varies between 1 month to less than 6 years. This promotes the Board's quality and strengthens our Board's independence besides enabling the necessary checks and balances on the decision-making process of the Board. Our Directors hold integrity at the highest level and possess extensive experience and diverse skills set to provide unbiased and independent views to the Board. They consistently challenge the Management and the Board in an effective and constructive manner and therefore, are able to function as a check and balance forming justified opinions to the Board. The Executive Chairman also encourages healthy debates on important issues and promotes active participation among the Board members at the Board Meetings and Board Committees' Meetings.

The Nomination Committee had reviewed and deliberated on the Self-Evaluation Forms of the Independence of the Independent Directors for the year 2022 completed by all five (5) INEDs who served on the Board of Puncak Niaga for the full calendar year of 2022 at the 50th Nomination Committee Meeting held on 13 February 2023 and had recommended the same to the Board of Directors of the Company for consideration at the 130th Board of Directors' Meeting held on 27 February 2023 wherein the Board had concluded the following findings: -

- Based on the confirmations given by the five (5) INEDs who served on the Board of Puncak Niaga for the full calendar year of 2022 as evidenced in the duly completed Self-Evaluation Forms, the Company is satisfied that its INEDs have fulfilled the criteria as Independent Directors of the Company under the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.
- All five (5) INEDs who participated in the 2022 Self-Evaluation Form of the Independence of the Independent Directors for the year 2022 have indicated their willingness to continue in office as Independent Directors of the Company.

### Conflicts

The Company requires that members of the Board make a declaration of interests in the event that any of them have conflicts, if any, particularly in relation to businesses transacted by the Group or the Company, including where such interests arise through close family members. These procedures are in line with various statutory requirements on the disclosure of Director's interest as set out in our Board Charter.



## Corporate Governance Overview Statement

### Training And Continuing Professional Development

The Board via the Nomination Committee with the assistance of the Human Resources and Administration Division had undertaken an assessment on the training programmes attended by the Directors in the past year and the training needs of the Directors for the current year.

The Board recognises the importance of continuous training programmes at the Board level in order to broaden their perspectives and to keep abreast with the developments in the market place and changes in new statutory requirements to ensure that the Board members are able to effectively discharge and fulfil their roles on the Board and the various Board Committees and contribute positively to discussions on technical and regulatory matters. These sessions also serve as an opportunity for the Board to discuss strategy and risks with the Management and gain better insight into the Group's businesses and management capability.

In 2022, the Directors attended the following courses:-

<p><b>YBhg Tan Sri Rozali bin Ismail</b></p> <ul style="list-style-type: none"> <li>Malaysian-German Chamber of Commerce and Industry ("MGCC") webinar by Cargodian GmbH Digitalisation and Sustainable Supply Chains in European-Malaysia Trade</li> <li>30% Club Diversity, Equity &amp; Inclusion ("DEI") Conversation #4: Climate Action Powered by DEI</li> </ul>	<p><b>Encik Azlan Shah bin Tan Sri Rozali</b></p> <ul style="list-style-type: none"> <li>Directors' In-House Training: "Sustainability - Introduction &amp; Awareness" by KPMG Sustainability Advisory Services</li> <li>In-House Training: "Awareness on ISO 37001:2016 Anti-Bribery Management System ("ABMS")" by Puncak Niaga Holdings Berhad</li> </ul>	<p><b>YBhg Tan Sri Dr Madinah binti Mohamad</b> (Appointed on 1 December 2022)</p> <ul style="list-style-type: none"> <li>ICDM Board Risk Committee Dialogue &amp; Networking - Session #1</li> </ul>
<p><b>YBhg Dato' Sri Adenan bin Ab. Rahman</b></p> <ul style="list-style-type: none"> <li>ICDM Audit Committee Dialogue &amp; Networking - Session #1</li> <li>ICDM Leading for Good</li> <li>Directors' In-House Training: "Sustainability - Introduction &amp; Awareness" by KPMG Sustainability Advisory Services</li> <li>ICDM BNRC Dialogue and Networking #1</li> <li>ICDM Conversations with Chairmen on Climate Governance - A Standing Item in Board Agendas</li> <li>ICDM Virtual International Directors Summit 2022</li> </ul>	<p><b>YBhg Prof Emeritus Datuk Dr Marimuthu A/L Nadason</b></p> <ul style="list-style-type: none"> <li>ICDM Audit Committee Dialogue &amp; Networking - Session #1</li> <li>Acclime Corporate Services Sdn Bhd's "Briefing on Duties and Responsibilities of Directors under Companies Act 2016 and Malaysian Code on Corporate Governance"</li> <li>Directors' In-House Training: "Sustainability - Introduction &amp; Awareness" by KPMG Sustainability Advisory Services</li> <li>ICDM BNRC Dialogue and Networking #1</li> <li>ICDM Teh Tarik Session with Shai Ganu</li> <li>KPMG Board Leadership Center Exclusive - Navigating through the Evolution of Corporate Governance with the Introduction of Tax Corporate Governance Framework ("TCGF")</li> <li>ICDM Session #4 - ESG Disclosure at a Glance: Key Developments and Future Trends</li> <li>ICDM Session #5 - Climate Change and Carbon: From the Financial Risk &amp; Reporting Perspectives</li> <li>ICDM Virtual International Directors Summit 2022 &amp; After Partea (Networking Session: Expand Your Horizon &amp; Network)</li> <li>CG Advocacy Programme: Bursa Malaysia Immersive Experience: The Board "Agender"</li> <li>ICDM Board Risk Committee Dialogue &amp; Networking - Session #1</li> </ul>	
<p><b>YBhg Datuk Sr Haji Johari bin Wahab</b></p> <ul style="list-style-type: none"> <li>Directors' In-House Training: "Sustainability - Introduction &amp; Awareness" by KPMG Sustainability Advisory Services</li> <li>ICDM BNRC Dialogue and Networking #1</li> <li>ICDM Virtual International Directors Summit 2022</li> </ul>	<p><b>YM Tengku Loreta binti Tengku Dato' Setia Ramli Alhaj</b></p> <ul style="list-style-type: none"> <li>ICDM Leading for Good</li> <li>Directors' In-House Training: "Sustainability - Introduction &amp; Awareness" by KPMG Sustainability Advisory Services</li> <li>ICDM Virtual International Directors Summit 2022</li> <li>ICDM Board Risk Committee Dialogue &amp; Networking - Session #1</li> </ul>	<p><b>Tuan Haji Noor Faiz bin Hassan</b></p> <ul style="list-style-type: none"> <li>ICDM Leading for Good</li> <li>Directors' In-House Training: "Sustainability - Introduction &amp; Awareness" by KPMG Sustainability Advisory Services</li> <li>ICDM BNRC Dialogue and Networking #1</li> <li>ICDM Virtual International Directors Summit 2022</li> </ul>

## Corporate Governance Overview Statement

### Supply of Information and Access to Advice

Each Board member is supplied with accurate, complete, adequate, unrestricted and quality information on a timely basis to enable them to effectively discharge their duties and responsibilities. Except under exceptional circumstances, Board members are given at least seven days' prior notice of any Board Meeting to be held. Since November 2021, all Board Meetings' materials are uploaded onto a board meeting automation solution system, BoardPAC which is accessible by the Directors via their personal tablets several days before the Board Meetings to facilitate the Directors to peruse the Meeting materials and to review the issues to be deliberated at the Board Meetings before the Meeting date. Where necessary, the Company's personnel will be called upon by the Board during the Board Meetings to present and to clarify any Board papers presented.

All Board members participate actively in the Board's deliberations and bring the benefit of their particular knowledge, skills and abilities to the Board. Where a potential conflict with the duties or of interests as Director arises, it is mandatory for the Director concerned to declare the fact and nature of his or her interests and the extent of the conflict at a Board Meeting and abstain from the deliberation and decision-making process. In the event the proposal requires shareholders' approval, the interested Board members shall abstain from voting on the resolution at the General Meeting and shall ensure that persons connected to them also abstain from voting on the proposal.

The above procedures are likewise practised at the various Board Committees' Meetings.

The Company Secretaries organise and attend all Board Meetings and Board Committees' Meetings (except for the CICR Meeting whose Secretary is the Head of Internal Audit Department) and ensure that all issues discussed with the conclusions are minuted accurately in the minutes of each Meeting and that all records are kept properly at the Registered Office of the Company.






The Board is regularly updated and kept informed by the Company Secretaries and the Management of the requirements such as restriction in dealing with the securities of the Company and updates as issued by the various regulatory authorities including the latest developments in the legislations and regulatory framework affecting the Group. The Board has unrestricted and constant access to and interaction with the Senior Management of the Company. Each Board member has full and unrestricted access to the advice and services of the Company Secretaries.

Where necessary, the Directors may, whether collectively as a Board or in their individual capacities, seek external and independent professional advice from experts on any matter in furtherance of their duties as they may deem necessary and appropriate at the Company's expense.



## Corporate Governance Overview Statement

### NOMINATION COMMITTEE REPORT

 <b>YBhg Prof Emeritus Datuk Dr Marimuthu A/L Nadason</b> Chairman	 <b>YBhg Dato' Sri Adenan bin Ab. Rahman</b> Member	 <b>YBhg Datuk Sr Haji Johari bin Wahab</b> Member
 <b>YM Tengku Loreta binti Tengku Dato' Setia Ramli Alhaj</b> Member	 <b>Tuan Haji Noor Faiz bin Hassan</b> Member	 <b>YBhg Tan Sri Dr Madinah binti Mohamad</b> Member (Appointed on 1 December 2022)

The members of the Nomination Committee ("NC") comprise wholly of the INEDs of the Company. Only members of the NC have the right to attend NC Meetings. Other individuals such as the Managing Director, Executive Directors and external advisers may be invited to attend the NC Meetings as and when deemed appropriate.

#### Responsibilities Of The Nomination Committee

The responsibilities of the NC include:-

- To annually review the overall composition of the Board in terms of required mix of the expertise, skills, knowledge and experience and other qualities, including core competencies and adequacy of balance between Executive Directors and INEDs.
  - To annually review the overall composition of the Board to achieve the best composition for diversity in terms of skills, experience, gender, age, professional background and cultural background to meet the needs of the Company. In this regards, the NC is to assist the Board in establishing a policy on Boardroom diversity.
  - To assess and recommend to the Board, candidates for all directorships to be filled and to annually evaluate and appraise the Board taking into consideration the time required of the Directors to fulfil their duties. Any appointment that may cast doubt on the integrity and governance of the Company should be avoided.
- In identifying Board candidates, the NC may rely on recommendation from the existing Board members, the Management or major shareholders. The NC may also consider to utilise independent sources to identify suitably qualified candidates, as appropriate.
- If the selection of Board candidates was based on the recommendation of the existing Directors, Management or major shareholders of the Company, the NC should explain why these source(s) suffice and other sources were not used.
- To assess and recommend to the Board, candidates for the re-election of Directors under the annual re-election provisions or retirement, as the case may be and to provide a statement to the Board to support the appointment or re-election of the candidate(s).
  - To assess and recommend to the Board, Directors to fill the seats on Board Committees, in consultation with the Chairman of those committees or with the Board, in the case of the Chairman's position.
  - To annually assess the effectiveness of the Board as a whole, the committees of the Board and for assessing the contribution of each individual Director and in respect of the INEDs of the Company, their capacity to bring an independent judgement on issues before the Board and that each Director in their individual capacity and as a collective Board are able to act in the best interests of the Company as a whole.
  - To examine the size of the Board with a view to determining the impact of the number upon its effectiveness and to ensure that at least half of the Board comprises the INEDs of the Company.
  - In the case of persons for the position of Independent Non-Executive Director, to evaluate the persons' ability to spend sufficient time to fulfil their duties to discharge such responsibilities/functions as expected from INEDs, in particular, for those who have served on the Board beyond nine years, to assess and evaluate whether the INED should remain independent or be re-designated or be replaced.
  - To determine annually whether a Director is independent as defined in Bursa Securities' MMLR and to recommend a suitable INED for the role of Senior INED of the Company.
  - To review matters relating to the continuation in office of any Director at any time.

## Corporate Governance Overview Statement

### Responsibilities Of The Nomination Committee

- To ensure that all Directors receive appropriate induction and continuous training programmes in order to broaden their perspectives and to keep abreast with developments in the market place and changes in new statutory requirements including training, upskilling or development needs and continuous professional development programmes to keep abreast with corporate governance developments, enhancing financial literacy on financial statements and financial reporting standards and professional development on sustainability in order to drive the Company's future strategies and strengthen the Board's leadership and oversight on the Company's and Puncak Niaga Group's sustainability issues.
- To periodically assess and recommend to the Board on succession planning for the Board, Executive Chairman, Directors and Key Management personnel.
- To recommend to the Board the removal of a Director if he is ineffective, errant or negligent in discharging his responsibilities.
- To review and recommend to the Board, corporate governance principles and best practices to be implemented for Puncak Niaga Group, in compliance with the MCCG 2021.
- To assess and recommend to the Board, the Terms of Reference of the Board Committees and to review the adequacy of the structure of the Board Committees.

The NC's Terms of Reference can be found at [www.puncakniaga.com.my](http://www.puncakniaga.com.my).

### Matters Deliberated During The Year

1. Summary on the Evaluation of Board Effectiveness for Year 2021.

2. Summary on the Evaluation of Audit Committee and Compliance, Internal Control and Risk Policy Committee Effectiveness for Year 2021 and Performance and Effectiveness of the Internal Audit Functions of the Company.

3. Summary on the Evaluation of the Independence of the Independent Directors for Year 2021.

4. Re-election of Directors Retiring by Rotation at the 25th Annual General Meeting.

5. Appointment of Managing Director of Danum Sinar Sdn Bhd.

6. Appointment as Acting Executive Director of Finance Division.

7. Appointment of an Independent Non-Executive Director of the Company.

8. Renewal of YBhg Tan Sri Rozali bin Ismail's Contract of Employment as Executive Chairman of the Company.

9. Proposed Changes in Puncak Niaga Group's Key Personnel Line-Up.

## Corporate Governance Overview Statement

### BOARD DIVERSITY POLICY

#### Purpose And Scope Of Application

The Board Diversity Policy sets out the approach for achieving diversity for Puncak Niaga Group's Boards ("Board").

The Policy applies to the Board of Puncak Niaga and its Group. It does not apply to diversity in relation to the employees of Puncak Niaga Group, all of whom are covered by Puncak Niaga's Diversity Policy.

Puncak Niaga's Board Diversity Policy and Diversity Policy are set out in pages 119 and 120 of this Annual Report.

#### Policy Statement

Puncak Niaga believes in diversity and values the benefits that diversity can bring to its Board. The Company seeks to maintain a Board comprising talented and competent Directors with a diverse mix of expertise, skills and backgrounds, which reflect the diverse nature of the business environment in which the Group operates.

In designing the Board's composition, diversity includes but is not limited to skills, knowledge, industry experience, gender, age, cultural, education and socioeconomic backgrounds, ethnicity and expertise required to achieve effective stewardship and management.

When assessing the Board's composition and performance of the Board, as well as identifying suitable candidates for appointment or re-election to the Board, the Company will consider the benefits of diversity and the needs of the Board in order to maintain an optimum mix of skills, knowledge and experience on the Board.

The Board through the NC reviews this Policy and assesses its effectiveness in promoting a diverse Board which includes an appropriate number of women Directors on the Board. At any given time, the Board may seek to improve one or more aspects of its diversity.

#### Directors' Fit and Proper Policy

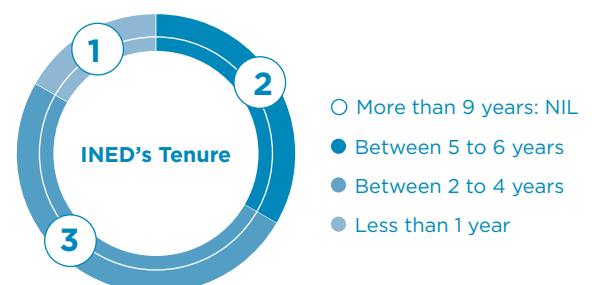
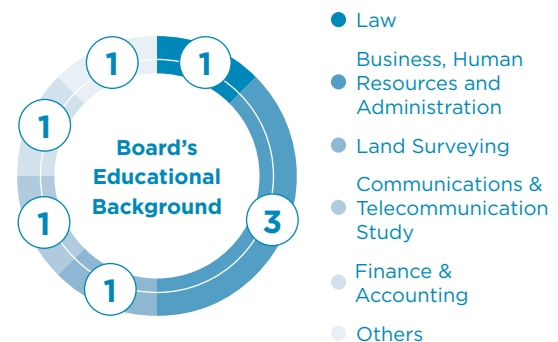
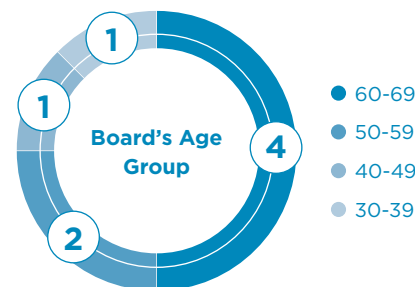
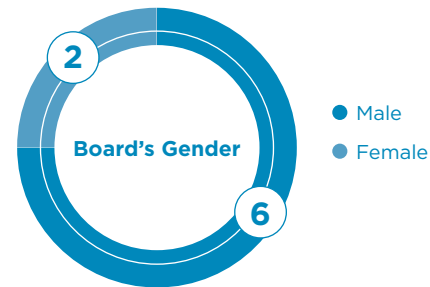
On 30 May 2022, the Board approved the Directors' Fit And Proper Policy ("the Policy") which is in line with paragraph 2.20A of Bursa Securities' MMLR to be adopted by the Company with effect from 1 June 2022.

The Policy sets out the Fit and Proper Criteria on the fitness and propriety of the Company's and the Group's Directors including the appointment and re-election of Directors to the Company and the Group on an annual basis by ensuring that these individuals who are either a Board candidate or Director have demonstrated and met the fit and proper criteria relating to their appointment or re-election as Directors of the Company and the Group. The Policy is accessible at the Company's website at [www.puncakniaga.com.my](http://www.puncakniaga.com.my).

#### Board Changes

During the year, YBhg Tan Sri Dr Madinah binti Mohamad was appointed as an INED of the Company on 1 December 2022 due to her diverse skills set and expertise as evidenced in her impressive and illustrious career which will contribute positively at the Board and Board Committees' levels.

As at 31 December 2022, the INEDs comprise 75% of the Board's composition with 2 female INEDS.





## Corporate Governance Overview Statement

### Re-Election Of Directors

The following Directors of the Company shall retire at the forthcoming 26th AGM of the Company and being eligible, had offered themselves for re-election:-

#### Rule 100

1. YBhg Dato' Sri Adenan bin Ab. Rahman
2. Tuan Haji Noor Faiz bin Hassan

#### Rule 105

1. YBhg Tan Sri Dr Madinah binti Mohamad

The Nomination Committee and the Board had at their respective Meetings held on 13 February 2023 and 27 February 2023 concluded the following: -

#### Directors retiring under Rule 100

- Both Directors retiring under Rule 100 of the Company's Constitution are recommended to be re-elected at the forthcoming 26th AGM of the Company since they have discharged their duties and responsibilities effectively as Directors of the Company as prescribed in Paragraph 2.20A of Bursa Securities' MMLR, have met the requisite criteria and qualities under the Company's Directors' Fit and Proper Policy and have been able to contribute positively to the Board and the Company with active participation at the Board/Board Committees' Meetings due to their vast experience and diverse skills set.
- Both of them are effective as Chairman and members of the Audit Committee, CICR, Remuneration Committee and Nomination Committee respectively.
- Both of them have given their confirmations that they have met the criteria of Independent Director under Chapter 1 of Bursa Securities' MMLR and indicated their willingness to continue in office as INEDs of the Company as evidenced in their 2022 Independent Director Evaluation Forms.

#### Director retiring under Rule 105

- The Director retiring under Rule 105 of the Company's Constitution is recommended to be re-elected at the forthcoming 26th AGM of the Company since she has met the requisite criteria and qualities under the Company's Directors' Fit and Proper Policy and she will be able to contribute positively to the Board and the Company due to her vast experience, diverse skills set and extensive working experience in the public service over 35 years with her last held position as Auditor General of Malaysia prior to her retirement in 2019.
- She has at the 50th Nomination Committee Meeting held on 13 February 2023 given her verbal confirmation that she is willing to continue in office as an INED of the Company. She has also given her declaration on her independence as an Independent Director to Bursa Securities upon her appointment to the Board on 1 December 2022.

### Evaluation Of The Board

As in the previous years, the Board has, with the assistance of the Company Secretaries, conducted an annual peer evaluation of the Board's effectiveness in the following key areas:-

- |  |  |
|--|--|
| <ul style="list-style-type: none"> <li>(i) <b>Compliance;</b></li> <li>(ii) <b>Board Meetings;</b></li> <li>(iii) <b>Board Functions;</b></li> <li>(iv) <b>Board Structure;</b></li> <li>(v) <b>Board Committees;</b></li> <li>(vi) <b>Board Operations;</b></li> <li>(vii) <b>Board Chairman's Roles and Responsibilities;</b></li> </ul> | <ul style="list-style-type: none"> <li>(viii) <b>Financial and Operational Reporting;</b></li> <li>(ix) <b>Planning and Objectives;</b></li> <li>(x) <b>Risk Assessment;</b></li> <li>(xi) <b>New Business Opportunities and Projects;</b></li> <li>(xii) <b>Human Resources;</b></li> <li>(xiii) <b>Sustainability; and</b></li> <li>(xiv) <b>Directors' Observations and Additional Comments.</b></li> </ul> |
|--|--|

The 2022 performance evaluation of the Board has been structured to ensure a balanced and objective review by the Directors for the above key areas.

## Corporate Governance Overview Statement

### Questionnaires

The comprehensive questionnaires with an opportunity to provide qualitative feedback in respect of all areas covered was sent to all Board members, along with a summary of the previous year's evaluation, action plan and a progress update against actions identified:-

- Evaluation of Board Effectiveness Form
- Independent Director Evaluation Form
- Audit Committee and Compliance, Internal Control and Risk Policy Committee Self-Assessment Form
- Audit Committee's Evaluation of the Performance and Effectiveness of the Internal Audit Functions of the Company

### Evaluation and Reporting

The Company Secretaries compiled responses from the questionnaires into a report, identifying areas requiring further focus and attention, where appropriate. The report included recommendations taking into account the best practice, the MCCG 2021 and other corporate governance guidance.

### Discussion with the Nomination Committee and Board







The findings were discussed with both the Nomination Committee and the Board.

The Nomination Committee had reviewed and deliberated on the Evaluation of Board Effectiveness Forms for the year 2022 at the 50th Nomination Committee Meeting held on 13 February 2023 and had recommended the same to the Board of Directors of the Company for consideration at the 130th Board of Directors' Meeting held on 27 February 2023 wherein the Board had concluded the following findings: -

- The Board of Puncak Niaga is a united Board with more than 75% INEDs (with 25% women Directors) comprising members who are individuals with the requisite qualities, diverse skills sets, experience, expertise, knowledge, competence and integrity to fully discharge their fiduciary duties and responsibilities as Directors of the Company and provide effective oversight on the Management of the Company.
- The length of tenure of the INEDs as at 31 December 2022 range between 1 month to 5 years and 2 months which are way below the maximum tenure limit of 9 years under Practice 5.3 of the MCCG 2021.
- The Company's Board as a collective Board has acted in the best interests of the Company.

## Corporate Governance Overview Statement

### REMUNERATION COMMITTEE REPORT

 <b>YBhg Dato' Sri Adenan bin Ab. Rahman</b> Chairman	 <b>YBhg Prof Emeritus Datuk Dr Marimuthu A/L Nadason</b> Member	 <b>YBhg Datuk Sr Haji Johari bin Wahab</b> Member
 <b>YM Tengku Loreta binti Tengku Dato' Setia Ramli Alhaj</b> Member	 <b>Tuan Haji Noor Faiz bin Hassan</b> Member	 <b>YBhg Tan Sri Dr Madinah binti Mohamad</b> Member (Appointed on 1 December 2022)

The Remuneration Committee comprises wholly of the INEDs of the Company.

#### Responsibilities Of The Remuneration Committee

The primary objectives of the Remuneration Committee ("RC") are as follows:-

- To establish and annually review the remuneration packages for each individual Executive Directors such that the levels of remuneration are sufficient to attract and retain the Directors needed to run the Company successfully and aligned to the business strategy and long-term objectives of the Company.
- To establish and review the Directors' Remuneration Policy for the Board of Directors and Executive Directors who are the Senior Management taking into account the demands, complexities and performance of the Company as well as the merit, qualification, competence, skills and experience required.
- To review the fees and benefits payable to the Directors including any compensation for loss of employment of a Director or a former Director.
- The RC shall make its recommendation to the Board and the respective Directors shall abstain from the discussion of their own remuneration.

The levels of remuneration of the Executive Directors should be based on merit and reflect their experience, level of responsibilities, expertise and complexity of the Company's activities and contribution to the Company.

- To consider and examine such other matters as the RC considers appropriate.

The RC's Terms of Reference can be found at [www.puncakniaga.com.my](http://www.puncakniaga.com.my).

#### Matters Deliberated During The Year

1. Appointment as Managing Director of Danum Sinar Sdn Bhd.
2. Appointment as Acting Executive Director of Finance Division.
3. Remuneration Package for YBhg Tan Sri Dr Madinah binti Mohamad as an INED of the Company.
4. Renewal of YBhg Tan Sri Rozali bin Ismail's Contract of Employment as Executive Chairman of the Company.
5. Changes in Puncak Niaga Group's Key Personnel Line-Up and the Remuneration Packages.



## Corporate Governance Overview Statement

### Directors' Remuneration Policy

The Company has a formal procedure to determine the remuneration of each Board member which is reviewed, from time to time, against market practices.

The level and make-up of remuneration should be sufficient to attract and retain the Board members needed to run the Company successfully but the Company should avoid paying more than is necessary for this purpose. The remuneration packages of the Board and Executive Directors are determined based on merit, qualification and competence and the Company's/Group's performance including performance in managing sustainability risks and opportunities and operating results and industry standards.

The component parts of remuneration should be sufficient so as to link reward to corporate and individual performance, in the case of the Executive Directors. The Executive Directors shall not be involved in discussions to decide on their own remuneration. Executive Directors of the Company/Puncak Niaga Group who are the Senior Management of the Company/Puncak Niaga Group receive no fees but are paid as full-time employees of the Company and/or subsidiary companies of Puncak Niaga.

In the case of the INEDs, the level of remuneration should reflect the experience and level of responsibilities undertaken by the particular INED concerned. The remuneration package of the INEDs of the Company should not conflict with their obligations to bring an objective and independent judgement on matters discussed at the Board and Board Committees.

The Directors' Remuneration Policy was last updated on 23 September 2021 and can be found at [www.puncakniaga.com.my](http://www.puncakniaga.com.my).

The RC is responsible for recommending the remuneration packages of the Directors to the Board. No Board member, whether executive or non-executive, shall be involved in deciding his own remuneration.

The details of the remuneration of the Directors of the Company received and receivable from the Company and on Group basis for the financial year ended 31 December 2022 are set out in Note 28 of the Audited Financial Statements of the Company on pages 209 and 210 of this Annual Report.

The disclosures of the Senior Management's remuneration that include the top five (5) Senior Management personnel is set out in Note 33C of the Audited Financial Statements of the Company on pages 232 and 233 of this Annual Report.



### AUDIT AND RISK MANAGEMENT

#### Financial Reporting

The Board is responsible for the quality and completeness of publicly disclosed financial reports. In presenting the annual financial statements, quarterly reports and the annual reports to the shareholders of the Company, the Board takes appropriate steps to present a clear and balanced assessment of the Group's position and prospects. This also applies to other price-sensitive public announcements and reports to the regulatory authorities.

The Group's financial statements and quarterly announcements, prepared using appropriate accounting policies, consistently and supported by reasonable and prudent judgements and estimates, will be reviewed and deliberated by the Audit Committee in the presence of the External Auditors and the Chief Financial Officer/ Acting Executive Director, Finance Division prior to recommending them for adoption by the Board. The Audit Committee ensures that the information to be disclosed are accurate, adequate and in compliance with the various disclosure requirements imposed by the relevant authorities. The Board discusses and reviews the recommendations proposed by the Audit Committee prior to its adoption. The Board also ensures accurate and timely release of the Group's quarterly and annual financial results to Bursa Securities.

The Statement on Directors' Responsibility in respect of the preparation of the Annual Audited Financial Statements of the Group is set out on page 123 of this Annual Report.

#### Relationship With External Auditors

The Board maintains a transparent and professional relationship with the Group's External Auditors. The Audit Committee, with the assistance of the Finance Division of the Company, has assessed the suitability and independence of the External Auditors of the Company in accordance with the Policy and Procedures on assessment of the External Auditors.

The External Auditors attended four (4) out of five (5) Audit Committee Meetings of the Company held during the financial year. These quarterly Meetings enabled the exchange of views on issues requiring attention. A formal mechanism has been established by the Audit Committee to ensure there is frank and candid dialogue with the External Auditors. The Audit Committee will meet the External Auditors twice a year without the presence of the Executive Directors and Management. This allows the Audit Committee and the External Auditors the exchange of free and honest views and opinions on matters related to External Auditors' audit and audit findings.

The Audit Committee has considered the provision of non-audit services rendered to the Group and Company which amounted to RM20,000.00 and RM12,000.00 respectively did not compromise the External Auditors' independence and objectivity.

A report by the Audit Committee is set out on pages 99 to 102 of this Annual Report.

## Corporate Governance Overview Statement



### RELATIONS WITH STAKEHOLDERS

#### Internal Control

The Board acknowledges its overall responsibility for maintaining a sound system of internal controls, which provides reasonable assurance in ensuring the effectiveness and efficiency of the Group's operations and to safeguard shareholders' investment and its assets and interests in compliance with the relevant laws and regulations as well as the internal financial administration procedures and guidelines.

The effectiveness of the system of internal controls of the Group is reviewed by the Audit Committee. The Internal Audit Department, led by the Head of Internal Audit will conduct internal audit covering the financial, operational and compliance controls, processes to identify and evaluate the significant risks faced by the Group including the governance, risk management and internal control processes within the Company. The reports of the Internal Audit Department are tabled to the Audit Committee for review and deliberation.

The Group's Statement on Risk Management and Internal Control is set out on pages 104 to 111 of this Annual Report.

#### Risk Management Framework

The Board recognises that risk management involves a structured approach, combining the efforts of all functions within the Group, to minimise the possibility and impact of unexpected damages so as to contribute towards greater efficiency and better decision-making. The Group's Enterprise-Wide Risk Profile is reviewed annually to take into consideration changes in the business environment, strategies and functional activities of the Group for determining the Group's level of risk tolerance and identify, assess and monitor key business risks to safeguard shareholders' investments and the Company's assets.

The Group's Statement on Risk Management and Internal Control is set out on pages 104 to 111 of this Annual Report.

#### Shareholders Communication and Investor Relations Policy

The Board acknowledges the need for the Company's shareholders and investors to be informed of all material business and corporate developments concerning the Group in a timely manner. In addition to various announcements made during the year, the timely release of the Group's consolidated financial results on quarterly basis provides the shareholders and investors with an overview of the Group's financial and operational performances.

The Company maintains regular communication with its shareholders and stakeholders, attend to shareholders' and investors' e-mails and phone calls enquiries and during the Company's General Meetings and other events. The Notice for the Company's AGM contains relevant information including the shareholders' rights to demand for a poll vote to enable them to exercise their rights.

The Notice for the Company's AGM is posted at the Investor Relations link - Annual Report at the Company's website, [www.puncakniaga.com.my](http://www.puncakniaga.com.my).

The Annual Report of Puncak Niaga which is produced in line with best corporate governance practices also serves as a key channel of communication with our various stakeholders. Information on the Group is also accessible via the Company's website, [www.puncakniaga.com.my](http://www.puncakniaga.com.my).

The Company's Investor Relations Policy & Report is set out on pages 116 to 117 of this Annual Report and is also posted at the Investor Relations link - Corporate Governance at the Company's website, [www.puncakniaga.com.my](http://www.puncakniaga.com.my).

#### AGM

To safeguard the health and wellbeing of our shareholders, the Company's Twenty-Fifth AGM ("25th AGM") held on 25 May 2022 was conducted entirely through live streaming from the Broadcast Venue at the Boardroom, 12<sup>th</sup> Floor, Wisma Rozali, No. 4, Persiaran Sukan, Seksyen 13, 40100 Shah Alam, Selangor Darul Ehsan and online remote voting using the Remote Participation and Voting ("RPV") facilities in the manner prescribed by Securities Commission Malaysia's Guidance on the Conduct of General Meetings for Listed Issuers.

At the 25th AGM of the Company, no substantive resolutions were put forth for the shareholders' approval, except for the routine resolutions pertaining to receiving the annual audited financial statements, re-appointment and re-election of Directors of the Company and re-appointment of Auditors of the Company. All resolutions were voted on by poll by the shareholders via the RPV provided by Tricor Investor & Issuing House Services Sdn Bhd and validated by the Independent Scrutineers, Coopers Professional Scrutineers Sdn Bhd. Coopers Professional Scrutineers Sdn Bhd also acted as the Independent Observer for the Question & Answer Session at the 25th AGM to confirm that the Company has addressed all questions raised by Minority Shareholders Watch Group and those raised during the proceedings of the virtual 25th AGM.

For year 2023, the resolutions set out in the Notice of the Company's Twenty-Sixth AGM ("26th AGM") will also be conducted via poll voting as mandated in Paragraph 8.29A of the MMLR of Bursa Securities using the RPV.

This Corporate Governance Overview Statement has been approved by the Board of Puncak Niaga on 30 March 2022.

# Audit Committee Report

The Board of Directors (“Board”) of Puncak Niaga Holdings Berhad (“Puncak Niaga”) is pleased to present the report of the Audit Committee for the financial year ended 31 December 2022.

## 1. MEMBERSHIP AND MEETINGS

The Audit Committee comprises wholly of the Independent Non-Executive Directors of the Company. The composition of the Audit Committee as at 31 December 2022 is as follows:

AUDIT COMMITTEE COMPOSITION		
<b>YBhg Dato’ Sri Adenan bin Ab. Rahman</b> Independent Non-Executive Director/ Chairman	<b>YBhg Prof Emeritus Datuk Dr Marimuthu A/L Nadason</b> Independent Non-Executive Director/ Member	<b>YBhg Datuk Sr Haji Johari bin Wahab</b> Independent Non-Executive Director/ Member
<b>YM Tengku Loreta binti Tengku Dato’ Setia Ramli Alhaj</b> Independent Non-Executive Director/ Member	<b>Tuan Haji Noor Faiz bin Hassan</b> Independent Non-Executive Director/ Member	<b>YBhg Tan Sri Dr Madinah binti Mohamad</b> Independent Non-Executive Director/Member (Appointed on 1 December 2022)

The composition of the Audit Committee and their attendance at the Audit Committee Meetings for the year 2022 were as follows:

Composition of Audit Committee	Attendance/Number of Meetings held	Percentage (%)
<b>YBhg Dato’ Sri Adenan bin Ab. Rahman</b> Independent Non-Executive Director/Chairman	5/5	100
<b>YBhg Prof Emeritus Datuk Dr Marimuthu A/L Nadason</b> Independent Non-Executive Director /Member	5/5	100
<b>YBhg Datuk Sr Haji Johari bin Wahab</b> Independent Non-Executive Director/Member	5/5	100
<b>YM Tengku Loreta binti Tengku Dato’ Setia Ramli Alhaj</b> Independent Non-Executive Director/Member	5/5	100
<b>Tuan Haji Noor Faiz bin Hassan</b> Independent Non-Executive Director/Member	5/5	100
<b>YBhg Tan Sri Dr Madinah binti Mohamad</b> Independent Non-Executive Director/Member (Appointed on 1 December 2022)	N/A	N/A

Note: YBhg Tan Sri Dr Madinah binti Mohamad was only appointed to the Board/Board Committees on 1 December 2022 and hence, she did not attend any Audit Committee Meetings for the year 2022 as none were held in December 2022.

During the financial year, the Managing Director, Chief Financial Officer/Acting Executive Director Finance Division, relevant Managing Directors/Executive Directors of the subsidiaries and Head of Internal Audit Department attended the Audit Committee Meetings upon the invitation of the Chairman of the Audit Committee to ensure that the Audit Committee were kept abreast of the matters and issues affecting the Group. The Group’s external auditors were also invited to attend the Audit Committee Meetings where matters relating to the audit of the statutory accounts, quarterly financial results and/or the external auditors were discussed.

The Secretaries to the Audit Committee are the Company Secretaries.

## 2. TERMS OF REFERENCE

The Terms of Reference of the Audit Committee can be viewed at Puncak Niaga’s website, [www.puncakniaga.com.my](http://www.puncakniaga.com.my) under the Investor Relations link.



## Audit Committee Report

### 3. SUMMARY OF AUDIT COMMITTEE'S ACTIVITIES

During the financial year ended 31 December 2022, the Audit Committee discharged its duties as set out in its Terms of Reference. The main activities carried out by the Audit Committee during the financial year included the following:

#### Financial Reporting

- Reviewed the quarterly and year-to-date unaudited financial results of the Company and Group before tabling to the Board for consideration and approval.
- Reviewed the reports and the audited financial statements of the Company and Group together with the external auditors prior to tabling to the Board for approval.
- Deliberated on matters relating to changes in accounting policies, significant and unusual events, compliance with accounting standards and other disclosure requirements and noted that the financial statements of Puncak Niaga Group have been prepared in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia.

#### Internal Control

- Reviewed and discussed all internal audit reports issued by the Internal Audit Department which highlighted key internal control issues/weaknesses and the corresponding management responses and actions.
- Received the Statement of Assurance from the respective Heads of Divisions/Companies of the auditee Divisions/Companies to resolve all outstanding findings within a stipulated time committed in the internal audit report, improve all areas of operations consistent with the applicable rules and regulations, Standard Operating Procedures ("SOPs") and good industrial practice and ensure the risk management and internal control system is operating adequately and effectively.
- The following matters under "Integrity Paperwork" and the "One Year Operational Plan (January – December 2023)" were implemented by the Integrity Unit of the Company with effect from 24 November 2022:-
  - Proposed Revision to Whistleblowing Policy.
  - Whistleblowing Poster.
  - Whistleblower Reporting Form.
  - Whistleblowing Icon.
  - Proposed New Whistleblower Protection.
  - Whistleblower Poster.
  - Proposed Revision to Gift Policy.
  - Gift Policy Poster.
  - Giving/Receiving Gift Form.
  - One-Year Operational Plan (January 2023 – December 2023).
  - Appointment of Integrity Representatives.
- Risk Scorecards of the respective business units, projects and support services of the Group are reviewed by the Compliance, Internal Control and Risk Policy Committee ("CICR") at every quarter of 2022. The details of the risk management activities are as set out in the Statement on Risk Management and Internal Control in pages 104 to 111 of the Annual Report.

#### External Audit

- Reviewed and discussed the external auditors' audit report and key audit matters for the financial year ended 31 December 2021 at the 122nd Meeting of the Audit Committee Meeting held on 28 February 2022 before recommending to the Board for approval.
- Assessed the suitability and independence of the External Auditors based on the calibre of the external audit firm, quality processes/performance, audit team, scope, audit fees and mandated the Management to re-appoint the external auditors, Messrs. Grant Thornton Malaysian PLT at the 123rd Meeting of the Audit Committee held on 30 March 2022 before recommending to the Board for approval.
- Reviewed the external auditors' scope of work, audit plan and audit focus areas for the financial year ended 31 December 2022 prior to the commencement of the 2022 Annual Audit at the 125th Meeting of the Audit Committee Meeting held on 25 August 2022.
- Held two (2) informal discussions with the External Auditors without the presence of the Management of the Company at the 123rd and 126th Meeting of the Audit Committee Meeting held on 30 March 2022 and 24 November 2022 respectively.
- Reviewed the extent of the assistance rendered by the Management to the External Auditors.

#### Internal Audit

- Reviewed the competency, resources and assessed the performance of the Internal Audit Department for the year 2022 and approved the 2023 Annual Internal Audit Plan at the 126th Meeting of the Audit Committee held on 24 November 2022. The Internal Audit Department is manned by competent professionals from auditing, plantation and construction management disciplines with the requisite work experience and internal audit experiences.
- Reviewed the Internal Audit reports, which highlighted the audit issues, recommendations and the Management's responses and directed for follow up actions to be taken by the Management to rectify and improve on the weaknesses/shortcomings identified in the Internal Audit Reports.
- For the critical areas, the Audit Committee invited the relevant Heads of Divisions and/or the Managing Directors and/or the Executive Directors of the operating subsidiaries to attend the Audit Committee Meeting.
- Monitored the implementation of recommendations made by the Internal Audit Department arising from its audits in order to obtain assurances that all key risks and control concerns have been fully addressed.
- Reviewed the status of audit assignments reported by the Internal Audit Department at each Audit Committee Meeting to ensure that the progress is in line with the approved 2022 Audit Plan.

## Audit Committee Report

### Working Site Visit

During the financial year ended 31 December 2022, the Audit Committee, accompanied by the Company's Managing Director and the Executive Director, Operations Division/Managing Director of Puncak Niaga Construction Sdn Bhd visited the business operations site of Puncak Niaga Group to familiarize themselves with the Group's business operations and to witness and have a hands-on experience at the Group's project/business site as below:

Date of Visit	Description
7 – 8 September 2022	Visit to the Kuantan Project located in the Districts of Kuantan and Kempadang including the Centralized Sewage Treatment Plant ("CSTP") being constructed at Tanjung Lumpur in Kuantan, Pahang

### Related Party Transactions

- Reviewed and reported to the Board all related party transactions, recurrent related party transactions and conflict of interest that may arise or entered into by the Company and the Group.
- Ascertained that transactions are conducted at arm's length prior to submission for the Board's consideration and where appropriate, shareholders' approval.

### Reporting

- Reviewed the Statement on Risk Management and Internal Control and Audit Committee Report for the financial year ended 31 December 2021 and recommended the same for the Board's approval at the 122nd Meeting of the Audit Committee Meeting held on 28 February 2022.

## 4. INTERNAL AUDIT FUNCTIONS

Puncak Niaga has an established in-house and independent Internal Audit Department reporting directly to the Audit Committee. The Internal Audit Department assists the Audit Committee in discharging its duties and responsibilities. The Internal Audit Department's primary responsibility is to provide independent assurance on the adequacy and effectiveness of internal control systems, risk management and governance process. The Internal Audit Department focuses on regular and systematic review and has conducted an evaluation of the internal control, management information systems, and compliance with established procedures, including the system for compliance with applicable laws, regulations, rules, directives and guidelines.

### Resources and Continuous Development

During the year, there were changes in the Head of Internal Audit Department. From January to September 2022, the Internal Audit Department was led by an Assistant General Manager, who is a Chartered Member of Malaysian Institute of Internal Auditors ("CMIIA"), Certified Internal Auditor ("CIA"), Certification in Risk Management Assurance ("CRMA"), Certification in Control Self-Assessment ("CCSA"), Certified Enterprise Risk Governance ("CERG"). The Assistant General Manager possesses more than 26 years of auditing, risk management, governance and entrepreneurship experiences. Following her resignation on 30 September 2022, the Internal Audit Department was then led by a General Manager, who possesses more than 25 years of auditing, risk management, governance and compliance experience (from September to December 2022).

Currently, the Internal Audit Department has a total of five (5) internal auditors and one (1) Integrity Officer, including the Head of Internal Audit Department, a Senior Manager, who possesses the requisite qualifications and has more than 20 years of working experience in various aspects of auditing, risk management, governance and integrity in various industries such as water distribution and utilities, construction, plantation and mill, port management, state development, food and beverage, engineering services, transportation, REITs and property management.

The internal auditors have completed at least four (4) man-days of training in 2022 which consist of relevant professional courses, seminars and on-the-job training including industry related training. All internal auditors have given their declarations that they were and have been independent, objective and in compliance with the Code of Ethics of the Institute of Internal Auditors in carrying out their duties during the financial year under review.

## Audit Committee Report

The total cost incurred by the Internal Audit Department in relation to the conduct of the internal audit functions of Puncak Niaga Group during the financial year ended 31 December 2022 was approximately RM458,875.00.

### Guidelines and Framework

The Internal Audit Department is guided by the Internal Audit Department's Department Manual which was duly approved by Puncak Niaga's Executive Committee ("EXCO") and aligned to the International Professional Practices Framework issued by the Institute of Internal Auditors.

### Internal Audit Scope and Coverage

The 2022 Annual Internal Audit Plan of the Internal Audit Department was developed based on a risk-based approach and covers the business units, projects and support services of the Group which were duly approved by the Audit Committee.

In line with the approved Annual Audit Plan, the Internal Audit Department completed a total of eleven (11) audit assignments including ad hoc audit assignments requested by the Senior Management of the Company during the financial year ended 31 December 2022. All audits were performed in-house.

Key areas audited during the year included the following:

- Audit on Infrastructure Management at Danum Sinar Sdn Bhd
- Audit on Progress of Kuantan Project
- Assessment on awareness & preparedness of Group Emergency and Disaster Management at Puncak Niaga Holdings Berhad and Its Subsidiaries
- Annual MSPO Surveillance Audit 3 of Danum Sinar Sdn Bhd
- Review on Maintenance KPI & Deductions by Client at TRIpLc Asset Management Services ("AMS")
- Collaboration Review on Disaster Recovery Plan ("DRP") & Penetration Test With Information and Communication Technology Department's ("ICTD") Vendors
- Follow-up Audit on Infrastructure Management at Danum Sinar Sdn Bhd
- Follow-up Audit on Site Management of D44 Project
- Follow-up Audit on Insurance Claims at Facility Management Services ("FMS")

The relevant audit reports which comprise the audit findings and observations, recommendations, Management's responses and target deadlines for corrective actions to be taken were presented to the Audit Committee for deliberation and notation. The Internal Audit Department also conducted follow-up audit reviews to determine the adequacy, effectiveness and timeliness of actions taken by the Management to rectify past audit findings and provided the updates arising from the follow-up audit reviews to the Audit Committee for their deliberation and notation.



## Additional Compliance Information

In accordance with Appendix 9C of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad:-

### (a) UTILISATION OF PROCEEDS RAISED FROM ANY CORPORATE PROPOSALS

There were no proceeds raised from corporate proposals during the financial year.

### (b) AUDIT AND NON-AUDIT FEES

For the financial year ended 31 December 2022:-

- (a) The audit fees payable to the external auditors, Grant Thornton Malaysia PLT for services rendered to the Group and the Company amounted to RM311,000.00 and RM60,000.00 respectively; and
- (b) The non-audit fees payable to the external auditors, Grant Thornton Malaysia PLT for assurance services rendered to the Group and the Company amounted to RM20,000.00 and RM12,000.00 respectively.

### (c) RECURRENT RELATED PARTY TRANSACTION

The Company did not enter into any recurrent related party transaction, which requires the shareholders' mandate during the financial year ended 31 December 2022.

### (d) MATERIAL CONTRACTS INVOLVING DIRECTORS, CHIEF EXECUTIVE WHO IS NOT A DIRECTOR OR MAJOR SHAREHOLDERS

There were no material contracts entered into by the Company and the Group, which involve the interests of Directors, Chief Executive who is not a Director or major shareholders of the Company and its subsidiary companies which were still subsisting at the end of the financial year ended 31 December 2022 or entered into since the end of the previous financial year.

# Statement on Risk Management and Internal Control

## INTRODUCTION

The Board of Directors (“Board”) of Puncak Niaga Holdings Berhad (“Puncak Niaga”) Group is pleased to present the Statement on Risk Management and Internal Control for the financial year ended 31 December 2022 pursuant to Paragraph 15.26(b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad that requires the Board to disclose in the Annual Report a statement on the state of risk management and internal control of the Group.

The Statement is prepared in accordance with Principle B of the Malaysian Code on Corporate Governance 2021 (“MCCG 2021”) and guided by the Statement on Risk Management & Internal Control: Guidelines for Directors of Public Listed Companies (“Guidelines”).

### BOARD’S RESPONSIBILITY

The Board assumes overall responsibility in establishing a sound risk management and internal control system and for reviewing its adequacy and effectiveness so as to safeguard the shareholders’ investments and the Group’s assets. This internal control system, by its nature, can only provide reasonable and not absolute assurance against material financial misstatement, fraud or losses.

The Board affirms that there is an on-going process for identifying, evaluating, monitoring and managing significant risks faced by the Group. The Board has mandated the Management to implement a control system designed to identify and manage risks facing the Group in pursuit of its business objectives. The outcome of this process is monitored by the Board via the Compliance, Internal Control and Risk Policy Committee (“CICR”), which dedicates its time on a quarterly basis for discussion on this matter. The reports of the CICR Meetings are submitted for the Board’s deliberation and information.

### RISK MANAGEMENT POLICY

The Board of Puncak Niaga has approved the Group’s Risk Management Policy Statement:-

Puncak Niaga Group’s Risk Management Policy is to identify, measure and control risks that may prevent the Group from achieving its objectives.

Our challenge is to apply risk management to all parts of our business to ensure business risks are minimised and opportunities enhanced.

We will achieve, maintain and review a proper risk management system which is implemented by the Management and extended to all employees of the Group. This is the commitment of the Board of Directors.

**This policy statement assigns responsibility for risk management to all Puncak Niaga Group employees and acknowledges that corporate responsibility lies with the Board of Puncak Niaga Group.**

### RISK MANAGEMENT FRAMEWORK

Risk Management is firmly embedded in the Group’s management system and is every employee’s responsibility. The Board of Puncak Niaga has formally approved and implemented a systematic risk management structure and process for the Group which clearly defines the authority and accountability in implementing the framework. The risk management model is aligned to ISO 31000 Risk Management – Principle and Guideline standard of Puncak Niaga contained in the Risk Management Manual which has been approved by the Executive Committee and used as a framework in Risk Management training conducted for the Senior Management of Puncak Niaga Group.

An overview of the Group’s Risk Management structure is shown below:



Figure 1: Risk Management Structure

## Statement on Risk Management and Internal Control

### RISK MANAGEMENT PROCESS

The key features of Puncak Niaga Group's risk management process are:

- Puncak Niaga Group utilises a risk management tool, namely, the Q-Radar Corporate Risk Scorecard ("CRS") software to identify, measure and manage all risks affecting Puncak Niaga Group. The software is web-based and allows the authorised users to monitor their respective risks online from any location.
- Each key business unit/project/support service/company has its own Risk Scorecard and an assigned Risk Scorecard Owner, who is primarily responsible for identifying the risks and assessing the probability and impact of their occurrence as well as the effectiveness of controls/mitigating measures to determine the residual risks known as nett score in the Risk Scorecard. The risk and control owners are also identified to assign responsibility and ensure accountability.
- The Group's Risk Scorecards are reviewed on a quarterly basis by the respective Risk Scorecard Owners to ensure that the Group's risk profile and controls are updated based on the latest business environment and risk positions.
- In tandem with the quarterly reviews, the Risk Scorecard Owners are also required to submit their respective assurances that in relation to the risk management process:
  - the risks, controls and management action plans in the Corporate Risk Scorecard are accurate and complete;
  - where the risk exposure is considered acceptable, the Risk Scorecard Owners have documented and validated that control activities are in place and are effective; and
  - where an individual risk has been evaluated as unacceptable, the management action plans have been formulated and individuals have been identified as owners with the accompanying due dates to address the risks.
- The Risk Management Section analyses and consolidates the Risk Scorecard reports submitted for the deliberation of the CICR at the quarterly Meetings of the CICR.
- The CICR reviews and deliberates on the reports submitted and focuses on changes in the consolidated residual risk profile, new areas for risk identification and the key controls implemented by the Management to mitigate significant risks which affect the Group. The CICR also provides feedback to the Risk Scorecard Owners and/or moderates the risk profile prior to submitting the report to the Board on a quarterly basis. The key activities of the CICR are detailed on page 106 of this Annual Report.
- The Enterprise Wide Risk profile of Puncak Niaga Group, which was deliberated by the Risk Management Scorecard Working Group ("RMSWG") is also reviewed on an annual basis at the beginning of each calendar year by the CICR.

### COMPLIANCE, INTERNAL CONTROL AND RISK POLICY COMMITTEE ("CICR")

The CICR comprises wholly of the Independent Non-Executive Directors ("INEDs") of Puncak Niaga and the composition of the CICR as at 31 December 2022 is as follows:

CICR COMPOSITION		
<b>YBhg Dato' Sri Adenan bin Ab. Rahman</b> Independent Non-Executive Director/ Chairman	<b>YBhg Prof Emeritus Datuk Dr Marimuthu A/L Nadason</b> Independent Non-Executive Director/ Member	<b>YBhg Datuk Sr Haji Johari bin Wahab</b> Independent Non-Executive Director/ Member
<b>YM Tengku Loreta binti Tengku Dato' Setia Ramli Alhaj</b> Independent Non-Executive Director/Member	<b>Tuan Haji Noor Faiz bin Hassan</b> Independent Non-Executive Director/Member	<b>YBhg Tan Sri Dr Madinah binti Mohamad</b> Independent Non-Executive Director/Member (Appointed on 1 December 2022)



## Statement on Risk Management and Internal Control

The CICR Members and their attendance at the CICR Meetings for the year 2022 are as follows:

CICR Members	Number Of Meetings Attended In 2022
<b>YBhg Dato' Sri Adenan bin Ab. Rahman</b> Independent Non-Executive Director/ Chairman	4/4
<b>YBhg Prof Emeritus Datuk Dr Marimuthu A/L Nadason</b> Independent Non-Executive Director/ Member	4/4
<b>YBhg Datuk Sr Haji Johari bin Wahab</b> Independent Non-Executive Director/ Member	4/4
<b>YM Tengku Loreta binti Tengku Dato' Setia Ramli Alhaj</b> Independent Non-Executive Director/ Member	4/4
<b>Tuan Haji Noor Faiz bin Hassan</b> Independent Non-Executive Director/ Member	4/4
<b>YBhg Tan Sri Dr Madinah binti Mohamad</b> Independent Non-Executive Director/ Member (Appointed on 1 December 2022)	N/A

Note: YBhg Tan Sri Dr Madinah Mohamad was only appointed to the Board/ Board Committees on 1 December 2022 and hence, she did not attend any CICR Meetings for the year 2022 as none were held in December 2022.

During the financial year, the Managing Director of Puncak Niaga, Managing Directors of the operating subsidiaries, Chief Financial Officer/Acting Executive Director, Finance Division and the relevant Executive Directors of Puncak Niaga attended the CICR Meetings by invitation of the Chairman of the CICR to brief in detail the key risks facing the Group and the controls implemented to mitigate the risks. The Secretary of the CICR is the Head of the Internal Audit Department.

The Terms of Reference of the CICR can be viewed at Puncak Niaga's website, [www.puncakniaga.com.my](http://www.puncakniaga.com.my) under the Investor Relations link.

### COMPLIANCE, INTERNAL CONTROL AND RISK POLICY COMMITTEE'S ACTIVITIES

During the year 2022, the CICR held a total of four meetings. At its Meetings, the CICR reviewed the Status Reports prepared by the Risk Management Section. The issues deliberated at the CICR Meetings included the following:-

- The level of readiness of Puncak Niaga Group with regards to the "Statement on Risk Management and Internal Control" requirements.
- The progress of the risk assessment and risk monitoring exercises at Puncak Niaga Group and Enterprise-Wide levels. The main risks, controls and management action plans were highlighted by the Secretary of the CICR to the CICR for deliberation.

- The review of the assurance status and validations given by the Risk Scorecard Owners of Puncak Niaga Group via the Corporate Digital Assurance Module of the Q-Radar software.
- The effective utilisation of the Q-Radar Corporate Risk Scorecard software to identify, evaluate, monitor and report risks and internal controls identified within Puncak Niaga Group.
- The status of Self-Assessment Audit Forms submitted by the relevant Divisions/Departments in Puncak Niaga Group as to whether the key internal controls have been complied with.
- The review on the revised policies and procedures of Puncak Niaga's Whistleblowing Policy and Gift Policy, the proposed new Whistleblower Protection, Integrity Strategic Plan for Year 2023 and appointment of Integrity Representatives was deliberated and endorsed at the 142nd Meeting of the CICR on 14th November 2022 before recommending to the Board for approval.
- The CICR also deliberated on the following key matters:
  - i) The consolidated risk position of Puncak Niaga Group which comprise the Top Ten (10) Residual Risks and its movement from quarter to quarter based on classifications into the Environmental, Social and Governance ("ESG") risks components particularly on the very significant risks and key controls implemented by the Management of Puncak Niaga Group.
  - ii) The Statement on Risk Management and Internal Control for the Year 2021 which was presented by the Secretary of the CICR at the 139th CICR Meeting held on 14 February 2022.
  - iii) The Top Ten (10) Enterprise-Wide Risks Facing Puncak Niaga Group for the Year 2022 which included its risks rankings, risks descriptions and key controls at the 139th CICR Meeting held on 14 February 2022. Subsequently, the risk profile was updated as the Top Ten (10) Enterprise-Wide Risks Facing Puncak Niaga Group based on the latest updates and assessments at the 142nd CICR Meeting held on 14 November 2022.
  - iv) Murni Estate Sdn Bhd's Risk Scorecard with a total of the three (3) risks registered was removed from the system as per the decision made at the Pre-141st CICR Meeting held on 28 July 2022.
  - v) The Risk Scorecard for Fraud & Corruption risk under TRIPIC Z1P3 was closed and removed from the Q-Radar System as the construction of the Z1P3 Project had been completed and handed over to the client on 1 February 2021 as per the decision made at the 142nd CICR Meeting held on 14 November 2022.

In year 2023, the CICR will continue to focus on providing oversight over the implementation of the Risk Management Framework based on the ESG risks components throughout Puncak Niaga Group as well as monitoring the key risk exposures and the resultant mitigating actions affecting Puncak Niaga Group.

## Statement on Risk Management and Internal Control

### PUNCAK NIAGA HOLDINGS BERHAD GROUP'S ENTERPRISE-WIDE RISKS

The Board recognises that Risk Management involves a structured approach, combining the efforts of all functions within Puncak Niaga Group to minimise uncertainties in order to achieve Puncak Niaga Group's business objectives. In view of this, the RMSWG Meeting is held annually whereby Puncak Niaga Group's Enterprise-Wide Risks Profile is deliberated after taking into account Puncak Niaga Group's strategic business plan and existing business environments and business segments in which the Group operates including the current issues which may have risk impact on Puncak Niaga Group's operations.

For the year 2023, the RMSWG Meeting which was chaired by the Managing Director who is the Head of CICR and attended by Puncak Niaga Group's Managing Directors and Executive Directors was held on 3 February 2023 to deliberate on the risks highlighted by the respective Companies, Divisions and Business segments of Puncak Niaga Group and to determine Puncak Niaga Group's Enterprise-Wide Risks Profile for the year 2023.

The deliberations of the RMSWG Meeting were reviewed by the CICR at the 143rd CICR Meeting held on 13 February 2023. Subsequently, a Board Paper on the "Top Ten (10) Enterprise Wide Risk Facing Puncak Niaga Group for the Year 2023" was tabled at the 130th Board of Directors Meeting held on 27 February 2023.

The key risks which had been classified into ESG risks components which have an impact on Puncak Niaga's Group for 2023 are as follows:-

Key Result Area	Risk	Mitigation
<b>ENVIRONMENTAL</b>		
<b>Ensure the sustainability of Puncak Niaga Group</b>	Climate Action Failure and the Consequential Impact on The Group's Business	<b>Measures include:</b> <ol style="list-style-type: none"> <li>1. Conduct training and continuously promote awareness to the Puncak Niaga Group's staff (i.e. First Aid Training, Floor Marshall Training, Fire Drills)</li> <li>2. Establishment and activation of the Emergency Response Team and Health, Safety &amp; Environmental Committee ("HSEC") at Group level and each subsidiary to formulate, review and disseminate safety standards and procedures.</li> <li>3. Installation of a flood gate at the entrance to the basement carpark and purchase of four portable water gate barriers at Wisma Rozali.</li> <li>4. Obtain information on weather and other natural catastrophes from relevant authorities'/ministries' websites.</li> </ol>
<b>GOVERNANCE</b>		
<b>Driving Operational Excellence</b>	Labour Issues - Shortage of Workers	<b>Measures include:</b> <ol style="list-style-type: none"> <li>1. Liaise with Foreign Workers Management and Human Resource Department for recruitment process through proper recruitment and manpower supply agents.</li> <li>2. Conducive working environment to improve workers' welfare and amenities.</li> <li>3. To improve workers' quarters monitoring system and regular dialogue.</li> <li>4. Implementation of semi-mechanization processes at our estates.</li> </ol>
	Failure to Meet Target Crop Production Yield	<b>Measures include:</b> <ol style="list-style-type: none"> <li>1. Standard Operating Procedures ("SOPs") on best management practices.</li> <li>2. Create awareness amongst the Management staff.</li> <li>3. Improving manuring standard via Field Audits.</li> <li>4. EFB application to improve soil structure and fertilizer leaching losses retention.</li> </ol>
	Cyber Security and IT Server Downtime	<b>Measures include:</b> <ol style="list-style-type: none"> <li>1. Assess system requirements to understand where the cyber threats originate and provide a guidepost to the types of systems required.</li> <li>2. Consider investment in Governance, Risk Management &amp; Compliance ("GRC") software or other cyber risk management tools and applied advanced new technologies in Puncak Niaga Group to prevent and protect the information from cyber-attacks.</li> <li>3. Engaged with external IT Consultants to check on any vulnerabilities and active threats in Puncak Niaga's IT network.</li> <li>4. Periodical Backup Data Information Processes (in a shared folder) via external hard disk.</li> </ol>

## Statement on Risk Management and Internal Control

Key Result Area	Risk	Mitigation
<b>GOVERNANCE</b>		
	Fraud & Bribery	<b>Measures include:</b> <ol style="list-style-type: none"> <li>1. All awards of contracts and procurement to be carried out by the Contract &amp; Procurement Department.</li> <li>2. To establish, monitor, update and propose revisions to the Anti-Corruption Policy and Procedures.</li> <li>3. To monitor, compile and investigate valid whistleblowing incidences that involve corruption, fraud, false claim, misuse or abuse of power reported to the Integrity Officer ("IO"), if any.</li> <li>4. Conduct awareness for all employees on Section 17A MACC Act 2018 and on Puncak Niaga's Anti-Corruption Policy and Procedures.</li> <li>5. To establish clear and comprehensive SOPs including the Whistleblower Protection and Gift Policy.</li> <li>6. To update and propose revisions to the Whistleblowing Policy, collate and report Whistleblowing incidences to the Audit Committee and Board of Directors, if any.</li> </ol>

The year 2022 was yet another challenging year for the nation given the nation's economic and political developments. The Group will remain cautious and the Board will continuously assess the Group's strategic risks and deliberating actions in managing its risks.

### INTERNAL CONTROL SYSTEM

The key elements of the Puncak Niaga Group's internal control system and assurance process, inter alia, encompass the following:

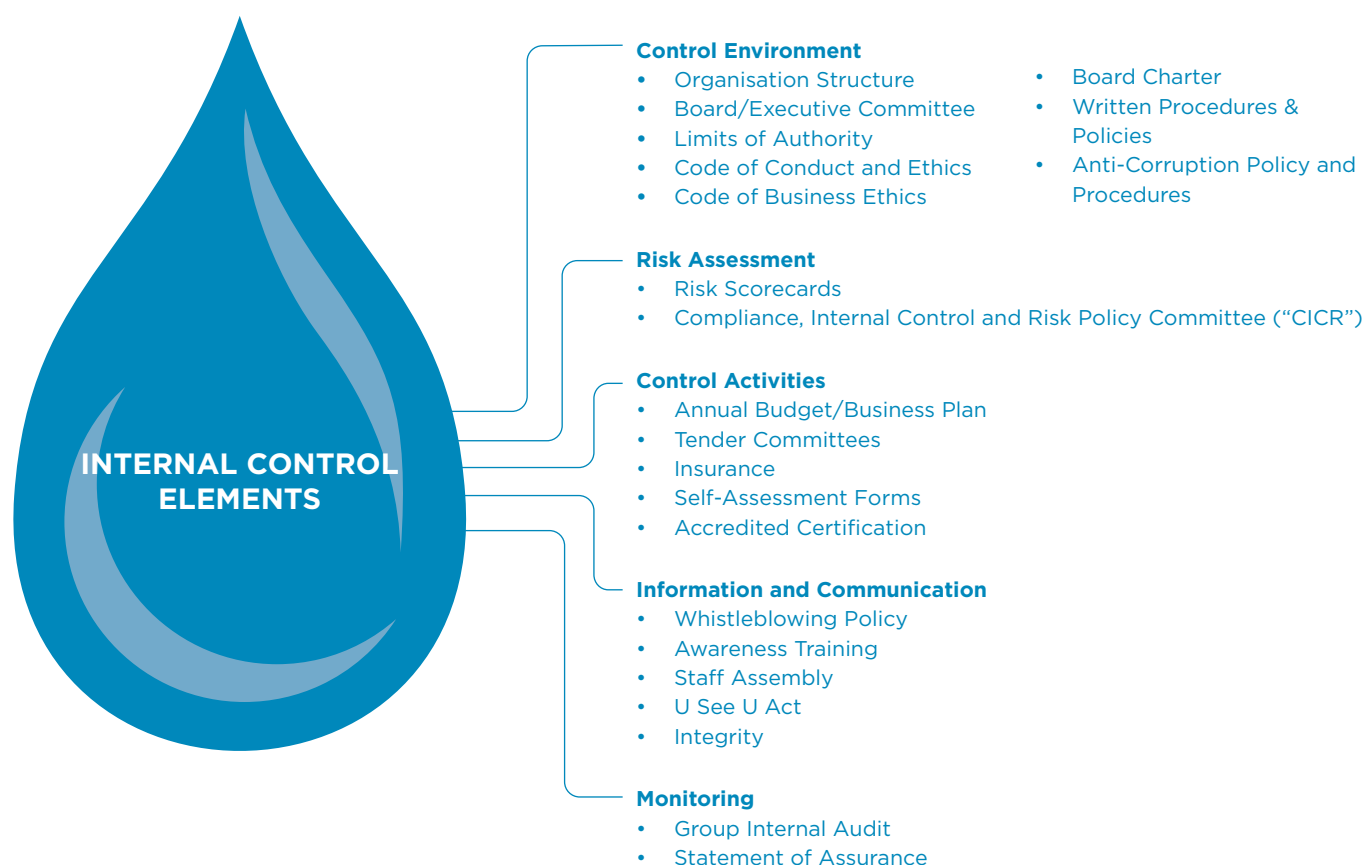


Figure 2: Internal Control System



## Statement on Risk Management and Internal Control

### Control Environment

- The operating subsidiaries of Puncak Niaga Group have a formal organisation structure with clearly defined reporting structures and responsibilities. This promotes ownership and accountability of the duties assigned to the Directors, Management and employees of the operating subsidiaries.
- Puncak Niaga Group's Code of Conduct and Ethics covers the Board and employees of the Group and is found in Puncak Niaga's Employee Handbook. The Code of Conduct and Ethics sets out the principles and standards of good practice.
- Puncak Niaga Group's Code of Business Ethics for the Group provides guidance on business ethical issues in the conduct of business and standards of behaviour expected of all Directors and employees in fundamental areas such as dealings with stakeholders, gift, hospitality, favours or other advantages, conflict of interest and harassment as well as the policy and procedures for compliance.
- The Board Charter regulates how business is to be conducted by the Board in accordance with the principles of good corporate governance and the Directors' Code of Conduct sets out the code of conduct expected of a Director in the performance of his or her duties. The Board Charter also sets out the roles and responsibilities of the Board members.
- The Board Committees, namely the Audit Committee, Remuneration Committee, Nomination Committee, CICR, EXCO and Board Tender Committee had been established to assist the Board in executing its fiduciary duties. The responsibility and authority of the Board Committees are governed by their respective Terms of Reference which are approved by the Board.
- All major decisions require the approval of the respective Boards/Executive Committees ("EXCOs") within Puncak Niaga Group in line with the Group's Limits of Authority. The EXCO is established at Puncak Niaga and Puncak Niaga Construction Sdn Bhd ("PNCSB") and comprises the Heads of Divisions of the respective companies. The relevant Management of the Puncak Niaga Group is invited to attend the meeting, if required. The respective Boards/EXCOs are kept updated on information covering the Divisions/Departments in the respective companies within the Group at the Board/EXCO Meetings, as appropriate.
- Written procedures and policies by way of SOPs which incorporate control procedures and scope of responsibilities are in place for all the operating subsidiaries of Puncak Niaga Group. The written procedures and policies are updated where appropriate to incorporate elements necessitated by changes in the legislations, industry best practices and business dynamics.

- The Limits of Authority of Puncak Niaga Group clearly set out the operational matters with the designated authority levels accorded to the Executive Chairman/Managing Directors/ Executive Directors and critical matters which are reserved for the Board's/EXCO's approvals and matters which are delegated to Puncak Niaga's subsidiaries' Directors and Management.
- Puncak Niaga's Anti-Corruption Policy of Zero Tolerance Towards Corruption and Corrupt Practices within and outside Puncak Niaga and Puncak Niaga Group which was established on 1 June 2020 and revised on 24 November 2022 are founded on Five Adequate Procedures Principles: TRUST as laid out in the Guidelines on Adequate Procedures issued by the Malaysian Anti-Corruption Commission (Amendment) Act 2019 ("MACC Act") pursuant to Section 17A of the MACC Act.
- Puncak Niaga Group is fully committed to upholding the highest standards of business integrity and to comply with the relevant provisions of the MACC Act and its Anti-Corruption Policy and Procedures sets out the adequate procedures to be implemented to prevent the occurrence of corrupt practices in Puncak Niaga's and Puncak Niaga Group's business activities. This Policy and Procedures covers the giving and receiving of gifts, charitable donations, corporate social responsibility payments, sponsorships and memberships and political contributions. This Policy applies to all Directors, employees and third parties acting on behalf of Puncak Niaga and Puncak Niaga Group.

### Risk Assessment

- Risk Scorecards are created and maintained for each business unit and support services within Puncak Niaga Group to ensure risks affecting the businesses of the Group are properly identified and assessed in terms of likelihood and impact, adequacy of existing controls is evaluated and the residual risks are treated accordingly. A Risk Scorecard Owner is assigned for each risk scorecard and is responsible for evaluating the risk profile on a quarterly basis and to provide the relevant assurance to the Board.
- The CICR which is a Board Committee, closely monitors the risk management process within the Group and the extent of compliance with the Statement on Risk Management and Internal Control requirements.

### Control Activities

- Annual Business Plans are prepared by the Management of the Group. The Annual Business Plans are presented and approved by the respective subsidiaries before tabling to Puncak Niaga's EXCO and Board for ultimate approval.

## Statement on Risk Management and Internal Control

- A detailed budgeting process has been established for Puncak Niaga Group to prepare their respective budgets annually. These budgets are then reviewed and approved by the respective Boards/EXCOs prior to actual implementation each year. The monitoring of actual performance versus budget with major variances being followed up is done on a monthly basis by the Finance Division and Management action is taken to rectify any shortcomings, where necessary.
- Tender Committees established at Puncak Niaga Group are accorded with their respective limits of authority of decision making and mandatory recommendations to the Board for approval, as appropriate. The Tender Committees play a critical role to ensure transparency and competitive pricing in the award of contracts within Puncak Niaga Group.
- PNCSB obtained its accredited certification with ISO 9001:2015, ISO 14001:2015 and ISO 45001:2018 certification for construction services for water related infrastructure including civil engineering, building, mechanical and electrical works. The compliance with ISO requirements and its related activities are being monitored by selected representatives from PNCSB's project office and various departments.

TRIpIc Berhad and its subsidiaries, TRIpIc Resources Sdn Bhd and TRIpIc Ventures Sdn Bhd obtained its accredited certification with ISO 9001:2015 Quality Management System on Project Management, Construction and Facility Management. The compliance with the ISO requirements and its related activities are being monitored by TRIpIc Berhad's ISO Committee.

The Plantation Division, Danum Sinar Sdn Bhd obtained its accredited certification with Malaysian Sustainable Palm Oil ("MSPO") certification on 6 August 2019 which is valid up to 5 August 2024. The MSPO certification is subject to a yearly surveillance audit which is monitored by the MSPO Committee of the Plantation Division. The certification for 2022 was validated on 8 December 2022.

- Puncak Niaga Group has insurance programmes in place to safeguard the Group's assets against any untoward incidents that could result in material losses.
- The Self-Assessment Audit Forms which list the key internal controls, have been developed in-house for the relevant Departments of the operating subsidiaries of Puncak Niaga. The respective Departments are required to submit a quarterly declaration to the Internal Audit Department as to whether key internal controls have been complied with. The Self-Assessment Audit Forms are submitted and monitored online through the Audit Monitoring System. For the year 2022, approximately 98.9% of the key internal controls declared in the Self-Assessment Audit Forms was in compliance with the Company's SOPs and the applicable Regulations. The balance 1.1% was mainly related to exceptions that were duly justified.

### Information and Communication

- New policies/procedures approved by the Management are communicated via Internal Memorandums which are circulated to all employees. Awareness training, as well as dissemination at the Monthly Staff Assemblies are conducted to ensure the policies/procedures are cascaded to the staff accordingly.
- Puncak Niaga Group has in place a Whistleblowing Policy which encourages our employees and external parties to disclose any wrongdoings, malpractices, or misconducts of which they become aware and to provide protection to the whistleblower. This Policy and Procedures provide a foundation to support the culture of good corporate governance and integrity throughout the Group and create a conducive workplace that is based on trust, honesty, openness, transparency and to eradicate unethical practices at the workplace.
- Awareness and Training programs were conducted internally and externally for the Directors, Senior Management and employees of Puncak Niaga Group to enhance their knowledge, skills and competency.

### Monitoring

- The Internal Audit Department independently reviewed the control processes implemented by the Management according to the 2022 Annual Audit Plan and reported on its findings and recommendations to the Audit Committee of Puncak Niaga five times in 2022. The duties and responsibilities of Puncak Niaga's Audit Committee are detailed in the Terms of Reference of Puncak Niaga's Audit Committee. The Audit Committee, upon consideration of both the Internal and External Audit Reports, is able to gauge the effectiveness and adequacy of the Group's internal control system, for the presentation of its findings to the Board.

The Internal Audit Department conducted audits of the declarations made in the Self-Assessment Audit Forms.

- All Heads of Divisions and the Managing Directors of Puncak Niaga Group are required to give a written assurance ("Statement of Assurance") to the Executive Chairman in the Internal Audit Report that all issues highlighted would be rectified within the stipulated timelines.

## Statement on Risk Management and Internal Control

### BOARD'S ASSESSMENT

The Board has received assurances from the respective companies' Heads of Divisions, Managing Directors and Chief Financial Officer/ Acting Executive Director, Finance Division that the Group's risk management and internal control system are operating adequately and effectively at the operating companies. Based on the assurances received and review of the risk management and internal control activities, the Board is of the view that the Group's risk management and internal control system for the year under review and as at the date of this Statement is sound and sufficient to safeguard the shareholders' investment and the Group's assets.

This Statement on Risk Management and Internal Control has been prepared in accordance with the Guidelines and has been approved by the Board of Puncak Niaga on 30 March 2023.

### REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

The external auditors have reviewed this Statement on Risk Management and Internal Control pursuant to the scope set out in Audit and Assurance Practice Guide ("AAPG") 3, Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report issued by the Malaysian Institute of Accountants ("MIA") for inclusion in the annual report of the Group for the year ended 31 December 2022 and reported to the Board that nothing has come to their attention that cause them to believe that the statement intended to be included in the annual report of the Group, in all material respects:

- (a) has not been prepared in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers, nor
- (b) is factually inaccurate.

AAPG 3 does not require the external auditors to consider whether the Directors' Statement on Risk Management and Internal Control covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the Group's risk management and internal control system including the assessment and opinion by the Board of Directors and management thereon.

The auditors are also not required to consider whether the processes described to deal with material internal control aspects of any significant problems disclosed in the annual report will, in fact, remedy the problems.

**For and on behalf of the Board of Puncak Niaga Holdings Berhad**

**YBhg Dato' Sri Adenan bin Ab. Rahman**

**Chairman**

**Compliance, Internal Control and Risk Policy Committee**

30 March 2023



# Corporate Disclosure Policy

**As a responsible corporate citizen, Puncak Niaga is totally committed to upholding the highest standards of transparency, accountability and integrity in the disclosure of all material information on the Company to the investing public in an accurate, clear, complete and timely manner in accordance with the corporate disclosure requirements as set out in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”).**

The Primary Objectives of Puncak Niaga’s Corporate Disclosure Policy are:

- To promote and maintain market integrity and investor confidence.
- To provide equal access to the Company’s material information in an accurate, clear, timely and complete manner and to avoid selective disclosure to the investing public.
- To exercise due diligence such that information disseminated to the investing public will be as far as possible accurate, clear, timely and complete.
- To put in place an efficient management of information procedure that promotes accountability for the dissemination of material information to the investing public.
- To build good investor relations with the investing public based on the principles of trust, honesty, openness, transparency and sound understanding of the Company.

To achieve its objectives, the Company will endeavour to undertake the following:

## 1. ESTABLISH POLICIES AND PROCEDURES

- Ensure written policies and procedures of the Company (“Puncak Niaga’s Corporate Disclosure Policy and Procedure”) that encompass the Puncak Niaga’s Corporate Disclosure Policy and Procedure and other requirements relating to corporate disclosure as set out in the Main Market Listing Requirements of Bursa Securities.
- Appoint a senior officer of the Company to oversee and coordinate disclosures to ensure the Company complies with the Main Market Listing Requirements of Bursa Securities.
- Ensure that only designated persons are the Company’s spokespersons.
- Ensure due compliance with Puncak Niaga’s Corporate Disclosure Policy and Procedure.

## 2. EXERCISE DUE DILIGENCE AND PREPARATION

- Ensure that the persons responsible for disseminating material information to the investing public, exercise due diligence in ensuring that information to be released is accurate, clear, timely and complete.
- Ensure that due care is observed when briefing and responding to analysts, institutional investors, the media and the investing public.

## 3. USE OF INFORMATION TECHNOLOGY

- Take advantage of current information technology to disseminate information to the investing public.

Our commitment to the above Policy is driven by the Board of Directors of Puncak Niaga Group and implemented by the Management.

# Corporate Sustainability Policy

**At Puncak Niaga, sustainability is an integral component of our core corporate values. We are committed to promoting sustainability practices in the conduct of our business in a responsible manner for sustainable performance amidst continuing global urbanization and an evolving environment with rising energy needs and depleting non-renewable resources. As an organisation, we will strive to continuously enhance our operational efficiency and reduce the environmental footprints of our business activities.**

Our approach to sustainability is focused on:

## PEOPLE

- Our employees whom we provide with a safe and conducive working environment.
- Our customers to whom we deliver quality services as part of our ongoing commitment to being their partner of choice.
- The communities where we operate in where we take corporate responsibility through the conduct of our business operations and foster rapport and engagement with the local communities.

## PLANET

- We seek to deliver safe and energy-efficient solutions using innovative technology.
- We seek to reduce the environmental footprints of our activities and services as well as our supply chain and office premises.

## PERFORMANCE

- We are committed to achieve sustainable growth and performance in a responsible manner whilst upholding the principles of good corporate governance and maintaining an open and transparent relationship with all of our stakeholders.

To create value for our stakeholders, it is our ongoing commitment to behave ethically in the conduct of our business and provide innovative solutions and quality services and continuously work to improve on our environmental performance, the quality of life of our employees and their families as well as the local communities and society at large and contribute positively to the economic development of our nation.

Our commitment to the above Policy is driven by the Board of Directors of Puncak Niaga Group and implemented by the Management.

## Corporate Social Responsibility Policy

**Puncak Niaga Holdings Berhad recognises the significance of being an organisation that practises the highest standard of work ethics. As a responsible company to its shareholders, business associates, suppliers, employees and various stakeholders, we therefore take our corporate social responsibility seriously as our vision is to be the leading regional integrated water, wastewater and environmental solutions provider with involvement in concession facilities management services, plantation and property development sectors.**

### ENVIRONMENTAL

We advocate sustainable environment through managing our daily operation and activities in a responsible manner to minimise activities that could harm the environment and nature. We support a precautionary approach to environmental challenges, undertake initiatives to promote greater environmental responsibilities and encourage the development and diffusion of environmentally friendly technologies.

### COMMUNITY

We support philanthropic and charitable giving, support for and active engagement with the local communities through volunteering and other programmes. We also support and encourage our employees to help local community organisations and activities in the areas where we operate in.

### STAKEHOLDERS

We protect the interests and priorities of our stakeholders as well as managing risks in order to maximise profits for the success and growth of the Company.

### EMPLOYEES

We respect the rights and diversity of our employees, irrespective of race and gender whilst providing a dynamic workplace and equal opportunities, improving employee satisfaction whilst enhancing the intellectual capital through continuous investment in training and development of employees' skills for the Company's quantum growth.

### STRATEGIC COLLABORATION AND KNOWLEDGE ENHANCEMENT AT ALL LEVELS

We promote continuous education and knowledge enhancement at all levels through collaborations with local and international higher education institutions and corporations.

We are equally dedicated not only to maintaining the highest ethical standards but also to achieving sustainability, both in our operations and in our impact on the environment for the benefits of our customers, shareholders, stakeholders and business associates. We believe that responsible business practices can unlock value, increase competitiveness, enhance reputations, and increase brand and stakeholders' value for business excellence and corporate sustainability.



## Health, Safety and Environmental Policy

**It is the Policy of Puncak Niaga Holdings Berhad and its subsidiaries (“Puncak Niaga” or “the Group”) to provide, so far as is practicable a healthy, safe and environmental friendly workplace for all workers, contractors, visitors and interested parties. In the spirit of consultation and participation, the Management and workers will together strive to achieve the goals and objectives of this Policy.**

Without prejudice to the generality of the above statement, the Policy of the Group is:-

- To continuously emphasize on the prevention of injury, ill health and pollution in all activities by eliminating the hazards, reducing the risks and protecting the environment;
- To ensure health, safety and environmental objectives and targets are set and reviewed;
- To ensure consultation and participation of all workers and worker’s representatives in deciding how to perform their job safely and without risk to health and any harm to the environment;
- To investigate with the participation of all workers and worker’s representatives, on all occupational health, safety and environment incidents related to the Group’s business activities and to make corrective measures to ensure the incident will not recur;
- To comply with all legal requirements and other requirements on the environment, safety and health, and other good practices which the Group subscribes; and
- To review this Policy as and when appropriate with consultation of all workers and to ensure it is understood by all workers and is available to all interested parties.

## Investor Relations Policy & Report

**As a responsible corporate citizen, Puncak Niaga is totally committed to upholding the highest standards of transparency, accountability and integrity in the conduct of our business activities in the best interest of our shareholders as well as to allow potential investors to make careful and informed investment decisions based on full and transparent disclosure of information.**

Puncak Niaga's Investor Relations Policy aims to build long-term relationships and credibility with our shareholders and potential investors based on trust, honesty, openness, transparency and sound understanding of the Company.

### 1. CREATING QUALITY DIALOGUE

- To create an environment where the effective bilateral communication between the Company and our shareholders and investors both inform and educate through regular, open and transparent provision of relevant and invaluable information over the long-term, which will build mutually beneficial long-term relationships vis-à-vis to foster a clearer understanding of the shareholders' and investors' expectations of the Company.
- To engage in quality dialogue with our shareholders and investors whereby the relationship is based on the principles of honesty, openness and transparency and to foster mutual understanding between the Company and our shareholders and investors.
- To reap the benefits of engaging in quality dialogue:
  - Perception on our Company's risk is reduced;
  - Enhance feedback of our Company's performance;
  - Our Company's share valuation becomes more realistic;
  - Develop confidence in our Management team and management style; and
  - Works as a guide in the evaluation of our Company's business strategy.

### 2. INVESTOR COMMUNICATIONS STATEMENT

- To implement an efficient and effective Investor Relations Programme as part of our ongoing shareholders' and investors' communication obligations.
- To provide high quality, meaningful and timely information over and above that is required by law in order to improve the shareholders' and investors' understanding of our Company.
- To strive for key competence in the area of professional investor relations vide adequate resources and capabilities.
- To earn the trust, respect and confidence of our existing shareholders and investors.
- To build and maintain long-term relationships with our existing shareholders and investors.
- To initiate long-term relationship building with potential shareholders and investors.

Our commitment to the above Policy is driven by the Board of Directors of Puncak Niaga Group and implemented by the Management.

## Investor Relations Policy & Report

### INVESTOR RELATIONS REPORT

Investor relations is the means by which listed companies maintain dialogue with their existing shareholders and potential investors. It is a strategic management responsibility to present an accurate picture of corporate performance and prospects, thus enabling the investment community, through an informed market, to determine a realistic share price. As a result, investor relations can have a positive impact on the Company's market value and cost of capital relative to its industry sector and the overall economic climate.

The Board of Puncak Niaga is pleased to report on the Company's investor relations activities in 2022 as follows:

#### Investors' Access To Information

In line with our Investor Relations Policy (as set out on page 116 of this Annual Report), Puncak Niaga ensures timely disclosure of information over and above the regulatory authorities' disclosure requirements so as to enable the investment community to make careful and informed investment decisions on the Company's securities. Shareholders and investors can contact us at [investors@puncakniaga.com.my](mailto:investors@puncakniaga.com.my) and access the Group's information and corporate announcements at our website, [www.puncakniaga.com.my](http://www.puncakniaga.com.my).

All announcements made to Bursa Malaysia Securities Berhad ("Bursa Securities") are published shortly after the same is released on Bursa Securities' website. All shareholders' queries will be received by the Executive Director, Corporate Services Division/Group Company Secretary who will provide the relevant feedback and responses to shareholders' queries where such information can be made available to the public.

Since 22 October 2004, the Group had adopted and implemented Puncak Niaga's Corporate Disclosure Policy (as set out on page 112 of this Annual Report), formulated in line with the 'Guide On Best Practices In Corporate Disclosure' issued by Bursa Securities' Task Force on Corporate Disclosure Best Practices.

#### Annual General Meeting ("AGM")

The Board of Puncak Niaga firmly believes that the AGM is the best forum to promote a closer relationship with our shareholders, enabling us to continue our engagement process with them.

Since 2003, our AGMs have been preceded by a Company Presentation followed by a Question and Answer Session. Our shareholders are updated on the Group's corporate and financial performances and latest developments. It is Puncak Niaga's way of saying 'We value your views' and 'We are here to serve you better'. At the same time, our shareholders' feedbacks, which are relevant to our operations, are taken into consideration in our business decisions. Puncak Niaga's Annual Report 2022 and AGM Notice are issued 28 days before the AGM.

To safeguard the health and wellbeing of our shareholders, the 26th AGM will be conducted entirely through live streaming from the Broadcast Venue at the Boardroom, 12th Floor, Wisma Rozali, No 4, Persiaran Sukan, Seksyen 13, 40100, Shah Alam, Selangor Darul Ehsan on Tuesday, 25 May 2023 at 10.00 a.m. The Notice of 26th AGM is enclosed with this Annual Report. The results of all resolutions proposed at the 26th AGM will be posted on Bursa Securities' website and the Company's website on the evening of 25 May 2023.

#### Investor Relations Unit

The Investor Relations Unit ("IRU") maintains a database of shareholders and investors who wish to be updated on the Group's corporate developments and performances via e-mail.

Kindly e-mail us your contact details to the attention of Madam Tan Bee Lian, Executive Director, Corporate Services Division/Group Company Secretary at [investors@puncakniaga.com.my](mailto:investors@puncakniaga.com.my) or by mail at Investor Relations Unit, c/o Secretarial Department, Puncak Niaga Holdings Berhad, 10th Floor, Wisma Rozali, No. 4, Persiaran Sukan, Seksyen 13, 40100 Shah Alam, Selangor Darul Ehsan, should you wish to be included in our database.



# Quality Policy

**It is the policy of Puncak Niaga Holdings Berhad and its subsidiaries (“Puncak Niaga” or “the Group”) to provide world-class quality services and products, technical expertise, management services and financial assistance to meet its client requirements and satisfaction.**

Puncak Niaga Group shall strive to consistently adopt and maintain a quality management system (“QMS”) based on all regulated requirements, international recognized standards that ensure a planned, systematic, and proactive approach to quality in all aspects of its work.

Without prejudice to the generality of the above statement, the Quality Policy of the Group is:

- To provide a safe, harmonious and friendly working environment and continuously equip its employees with knowledge and skills in order to further improve its quality systematically;
- To promote the use of a process approach and risk-based thinking;
- To ensure the objectives and targets of quality are set;
- To satisfy its clients and to meet their standard requirements by continuously improving its processes in order to enhance clients' satisfaction and loyalty;
- To achieve continuous improvement across all aspects of quality management system; and
- To review this Quality Policy as and when appropriate and to ensure it is understood by all employees and is available to all relevant parties and stakeholders.

# Board Diversity Policy

## 1.0 PURPOSE AND SCOPE OF APPLICATION

**The Policy sets out the approach for achieving diversity for Puncak Niaga Holdings Berhad's Group's Boards of Directors ("Board").**

**The Policy applies to the Board of Puncak Niaga Holdings Berhad and its Group ("Puncak Niaga" or "the Group"). It does not apply to diversity in relation to the employees of Puncak Niaga Holdings Berhad Group, all of whom are covered by Puncak Niaga Holdings Berhad's Diversity Policy.**

## 2.0 POLICY STATEMENT

Puncak Niaga Holdings Berhad believes in diversity and values the benefits that diversity can bring to its Board. The Company seeks to maintain a Board comprised of talented and dedicated directors with a diverse mix of expertise, skills and backgrounds, which reflect the diverse nature of the business environment in which the Group operates.

In designing the Board's composition, diversity includes but is not limited to, skills, knowledge, industry experience, gender, age, cultural, education and socioeconomic backgrounds, ethnicity and expertise required to achieve effective stewardship and management. When assessing the Board's composition and performance of the Board, as well as identifying suitable candidates for appointment or re-election to the Board, the Company will consider the benefits of diversity and the needs of the Board in order to maintain an optimum mix of skills, knowledge and experience on the Board.

The Board through the Nomination Committee reviews this Policy annually and assesses its effectiveness in promoting a diverse Board which includes an appropriate number of women directors on the Board. At any given time, the Board may seek to improve one or more aspects of its diversity.

## Diversity Policy

### 1.0 POLICY STATEMENT

**Puncak Niaga Holdings Berhad and its Group of Companies (“Puncak Niaga” or “the Group”) is committed to incorporating diversity into every aspect of our organisation’s functions and objectives. The Group recognises diversity as a means of enhancing the Group’s performance, improving employee retention, accessing different perspectives and ideas.**

**Diversity includes, but is not limited to gender, age, ethnicity, religion, beliefs, origin, race and cultural background. It involves leveraging the diverse skills, experiences and talents from different backgrounds within our organisation.**

### 2.0 MEASURABLE OBJECTIVES

The Group recognises diversity and supports national aspirations in providing equal opportunities to its employees regardless of gender, age, ethnicity, religion, beliefs, race and socioeconomic background. The Group believes that the Group’s success and competitiveness depends upon its ability to embrace diversity and realise the benefits that diversity brings to the Group, such as:

- The Group is free from any form of discrimination where equal opportunity is given in hiring, training and career advancement of its employees at all levels.
- A diverse workforce from various education backgrounds, experiences, skills, languages and cultural understanding can supply a greater variety of solutions to problems in the workplace and allows a company to provide service to customers on a global basis. It could drive the Group’s business success and sustain its competitiveness in all areas of business.
- A diverse workforce inspires our people to perform to their highest ability and encourages them to express their ideas and opinions and attribute a sense of equal value to all.
- In promoting diversity, we seek to identify, develop and implement the appropriate action plans to remove diversity barriers and obstacles in the workplace.

### 3.0 RESPONSIBILITIES

The Board is responsible to foster an inclusive workplace where each individual is respected and equal opportunity is given to all employees in respect of career development based on performance with a particular focus on participation of female employees on the Group’s Board and Senior Management. The Board may seek to improve and set a direction on diversity from time to time to achieve the objectives of this Policy.



# Directors' Fit and Proper Policy

## 1.0 PURPOSE AND SCOPE OF APPLICATION

The Policy sets out Puncak Niaga Holdings Berhad's Directors' Fit and Proper Policy ("the Policy") in relation to the appointment and re-election of the Directors of Puncak Niaga Holdings Berhad and its Group ("Puncak Niaga" or "the Group") to ensure that the Directors of Puncak Niaga Holdings Berhad ("the Company") and its Group possess the requisite criteria and qualities to effectively discharge their duties as Directors of Puncak Niaga Holdings Berhad Group as prescribed in paragraph 2.20A of Bursa Malaysia Securities Berhad's Main Market Listing Requirements.

The Policy shall be read in conjunction with the Board Charter and the Board Diversity Policy of the Company.

## 2.0 POLICY STATEMENT

Puncak Niaga Holdings Berhad is unreservedly committed to upholding the principles of good corporate governance and ensuring that the Directors of the Group are individuals with the requisite qualities, competence and integrity to discharge their fiduciary duties and responsibilities as Directors of the Group.

## 3.0 FIT AND PROPER CRITERIA

The Board and the Nomination Committee of the Company shall be responsible for conducting the assessments on the fitness and propriety of the Directors of the Company and its Group on a continuing basis, including the appointment and re-election of Directors of its Group on an annual basis by ensuring that these individuals who are either a Board candidate or Director have demonstrated and met the following fit and proper criteria relating to:-

### 3.1 Character, Personal Integrity and Reputation

Possesses personal qualities such as honesty, integrity, diligence, independence of mind and fairness and display an ongoing disciplined commitment to high ethical standards:

- Is not or has been the subject of any proceedings of a disciplinary or criminal nature or any investigation which might lead to such proceedings by the regulatory authorities or any court of law in Malaysia or elsewhere.
- Is not in contravention or convicted by a court of law of any written laws relating to dishonesty, bribery, fraud, corruption or malpractice in Malaysia or elsewhere where the conviction involved a finding that the Board candidate or Director had been personally found to have committed such acts.
- Is not in contravention of any requirements or standards of any regulatory body or professional body regulating the profession of the Board candidate or Director.
- Is not engaged or associated with any business practices which are deceitful, oppressive or other improper conduct which may discredit the Board candidate's or Director's personal professional conduct, honesty or integrity.
- Is not an individual who was a director or had held a position of responsibility in the management of a company that has gone into receivership, insolvency or involuntary liquidation or convicted by a court of law whether in Malaysia or elsewhere, of an offence in connection with the promotion, formation or management of a corporation.
- Is an individual with financial integrity who manages his or her own personal debts and personal financial affairs prudently and has not been the subject of a judgment debt which is unsatisfied, either in whole or in part, whether in Malaysia or elsewhere.
- Is an individual of good reputation in the professional, financial, business community and industry.

## Directors' Fit and Proper Policy

### 3.0 FIT AND PROPER CRITERIA (CONT'D)

#### 3.2 Experience and Competence

- Possesses the requisite qualifications, skills, ability to carry out the duties and responsibilities as Directors and have the appropriate knowledge, understanding and experience of the conduct of the business, as well as the laws, customs and values that governs the activities of the Group.
- Possesses general management skills, financial literacy as well as understanding of good corporate governance, enterprise risk management and sustainability issues.
- Attends continuous training and professional development to keep abreast with the latest developments, best practises and knowledge in the industry, regulatory framework, global trends.
- Possesses the relevant skills, experience, professionalism and industry knowledge to meet the Company's strategic objectives and the demands of the evolving landscape of the business segments of the Group.

#### 3.3 Time and Commitment

- Devotes the time and commitment to fully discharge the duties and responsibilities as a Director of the Group effectively after taking into consideration other external directorships or positions held or other commitments which are not within the Group, if any.
- Participates actively in the Board's activities.
- Objectively discharges duties and responsibilities at all times in the best interests of the Group and keeps abreast of the responsibilities as a Director of the Group and of the conduct, business activities and developments of the Company and its Group.
- Is committed to achieving the highest level of ethical business conduct and promotes a good corporate governance culture which reinforces ethical, prudent and professional behaviour within the Company and its Group.

## Statement on Directors' Responsibility For Preparation of Financial Statements

**The Financial Statements of the Group and Company have been drawn up in accordance with the applicable approved accounting standards in Malaysia and the requirements of the Companies Act, 2016. The Directors take responsibility in ensuring that the financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2022 and of the results and the cash flows of the Group and of the Company for the financial year then ended.**

In preparing the financial statements, the Directors have:

- Selected suitable accounting policies and applied them consistently;
- Made judgements and estimates that are reasonable and prudent;
- Ensured that all applicable accounting standards have been followed; and
- Made an assessment of the Group's and of the Company's ability to continue as a going concern.

The Board has the overall responsibility to take all steps as are reasonably open to them to safeguard the assets of the Group to prevent and detect frauds and other irregularities.



## Approaching Our Financial Statements

The purpose of financial statements is to communicate the Group's financial information to its stakeholders. This section is to assist and guide the readers to understand our financial information by explaining the functions and relationships between the essential financial statements: the statements of profit or loss and other comprehensive income, the statements of financial position and the statements of cash flows. For comprehensive and authoritative definitions and explanations, readers should refer to the relevant accounting standards.

### STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

**Financial performance measured by recording the flow of income and expenses over a period of time**

This statement is to present all income or expenses in a performance statement during the financial year.

Please refer to Statements of Profit or Loss and Other Comprehensive Income on page 135.

### STATEMENTS OF FINANCIAL POSITION

**A snapshot of all the assets the company owns and all the claims against those assets, as at a point in time**

This statement sums up the Group's non-current assets and working capital, debts and other non-current liabilities and owners' equity at 31 December 2022.

Please refer to Statements of Financial Position on pages 133 to 134.

### STATEMENTS OF CASH FLOWS

**A statement that provides an overview of the cash inflows and outflows of the Company over a period of time**

This statement divides the cash flows during the financial year into operating, investing and financing cash flows.

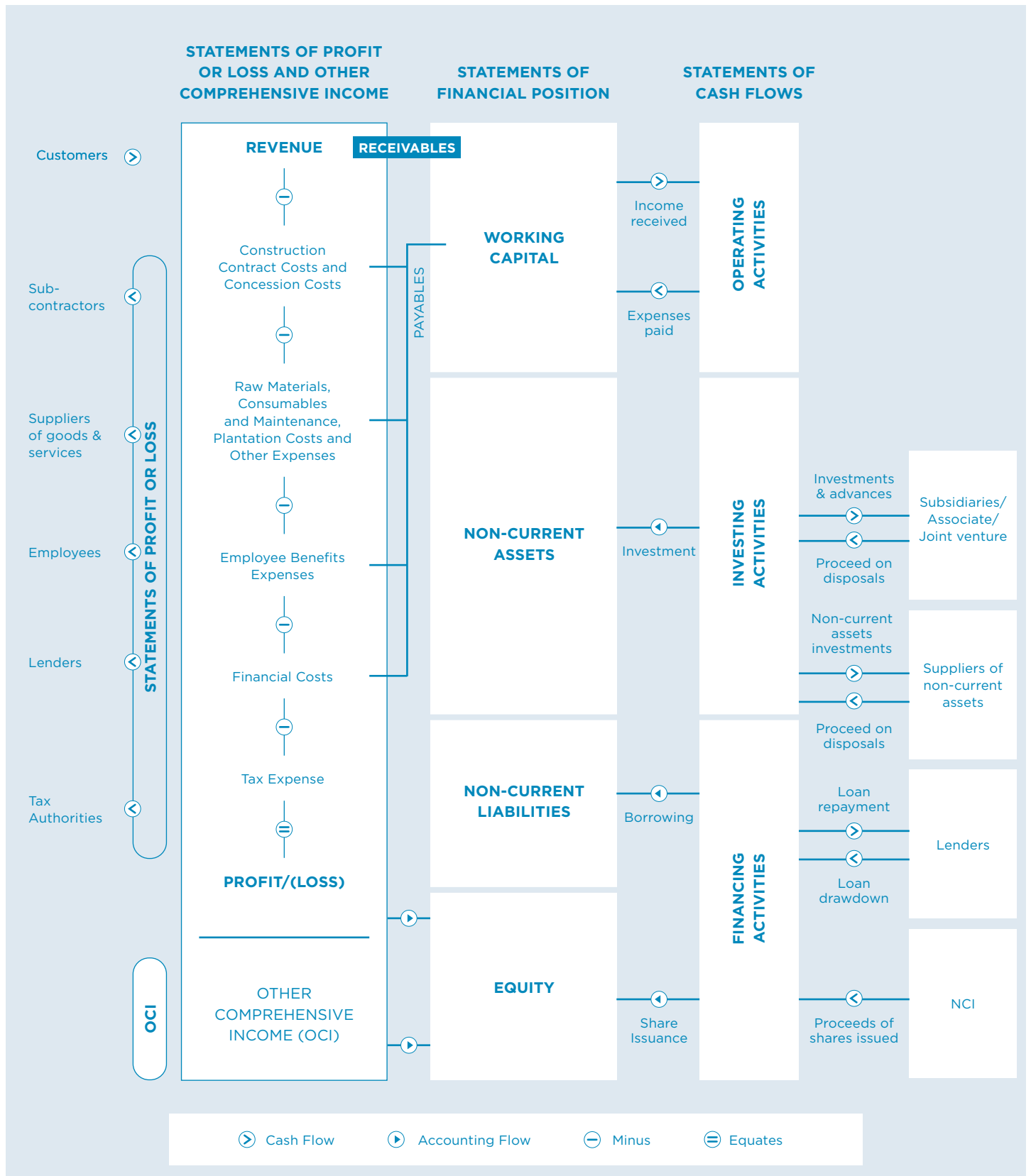
Operating cash flows are the cash inflows and outflows from working capital.

Investing cash flows are the cash flows arising from the purchase or disposal of non-current assets.

Financing cash flows represent the cash flows between the Group, its lenders and Non-Controlling Interest ("NCI").

Please refer to Statements of Cash Flows on pages 139 to 142.

## Approaching Our Financial Statements



## Definitions

Except where the context otherwise requires, the following definitions shall apply throughout the Directors' Report and Audited Financial Statements for the financial year ended 31 December 2022:

<b>“Bursa Securities”</b>	: Bursa Malaysia Securities Berhad
<b>“CGU”</b>	: Cash Generating Unit
<b>“CLMSB”</b>	: Corporate Line (M) Sdn. Bhd.
<b>“Company”</b>	: Puncak Niaga Holdings Berhad
<b>“CPMSB”</b>	: Central Plus (M) Sdn. Bhd.
<b>“DSSB”</b>	: Danau Semesta Sdn. Bhd.
<b>“Danum Sinar”</b>	: Danum Sinar Sdn. Bhd.
<b>“D44 Project”</b>	: Pakej D44 – Pembinaan Rangkaian Paip Pembentungan di Bunus, Kuala Lumpur (Reka dan Bina)
<b>“Federal Government”</b>	: Government of Malaysia
<b>“Genbina”</b>	: Genbina Sdn. Bhd.
<b>“GOM Resources”</b>	: GOM Resources Sdn. Bhd.
<b>“Group”</b>	: Puncak Niaga Holdings Berhad and its subsidiaries
<b>“KHEC”</b>	: Kris Heavy Engineering & Construction Sdn. Bhd.
<b>“MESB”</b>	: Murni Estate Sdn. Bhd.
<b>“NCI”</b>	: Non-controlling interests
<b>“PASSB”</b>	: Pengurusan Air Selangor Sdn. Bhd.
<b>“PNCSB”</b>	: Puncak Niaga Construction Sdn. Bhd.



## Definitions

Except where the context otherwise requires, the following definitions shall apply throughout the Directors' Report and Audited Financial Statements for the financial year ended 31 December 2022 (continued):

<b>“PNHB” or “Puncak”</b>	: Puncak Niaga Holdings Berhad
<b>“PNIPPL”</b>	: Puncak Niaga Infrastructures & Projects Private Limited
<b>“PNMSSB”</b>	: Puncak Niaga Management Services Sdn. Bhd.
<b>“PBSB”</b>	: Pujian Bayu Sdn. Bhd.
<b>“PNSB”</b>	: PNSB Water Sdn. Bhd.
<b>“POG”</b>	: Puncak Oil & Gas Sdn. Bhd.
<b>“PRCSB”</b>	: Puncak Research Centre Sdn. Bhd.
<b>“RM”</b>	: Ringgit Malaysia
<b>“SGD”</b>	: Singapore Dollar
<b>“SINO”</b>	: Sino Water Pte. Ltd.
<b>“State Government”</b>	: The State Government of Selangor
<b>“SYABAS”</b>	: Syarikat Bekalan Air Selangor Sdn. Bhd.
<b>“TRIpIc”</b>	: TRIpIc Berhad
<b>“TRIpIc Group”</b>	: TRIpIc Berhad and its subsidiaries
<b>“USD”</b>	: United States Dollar

# Directors' Report

For the Year Ended 31 December 2022

The Directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2022.

## PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding, whilst the principal activities of the subsidiaries are disclosed in Note 8 to the financial statements. There has been no significant change in the nature of the principal activities.

## RESULTS

	Group RM'000	Company RM'000
Loss for the year	(19,231)	(15,841)
Loss attributable to:		
Owners of the Company	(15,900)	(15,841)
Non-controlling interests	(3,331)	-
	(19,231)	(15,841)

## RESERVES AND PROVISIONS

There were no material transfers to or from reserves and provisions during the financial year under review except as disclosed in the financial statements.

## DIVIDEND

No dividend was paid during the financial year ended 31 December 2022 and the Directors do not recommend the payment of any dividend for the financial year under review.

## DIRECTORS OF THE COMPANY

Directors who served during the financial year until the date of this report are:

### Directors

Tan Sri Rozali bin Ismail  
 Azlan Shah bin Rozali  
 Dato' Sri Adenan bin Ab. Rahman  
 Prof Emeritus Datuk Dr Marimuthu A/L Nadason  
 YM Tengku Loreta binti Tengku Dato' Setia Ramli Alhaj  
 Datuk Sr Haji Johari bin Wahab  
 Noor Faiz bin Hassan  
 Tan Sri Dr Madinah binti Mohamad (Appointed on 1 December 2022)

## Directors' Report

For the Year Ended 31 December 2022

### DIRECTORS' INTERESTS IN SHARES

The interests and deemed interests in the shares of the Company and of its related corporations (other than wholly-owned subsidiaries) of those who were Directors at financial year end as recorded in the Register of Directors' Shareholdings are as follows:

Name of Director	Number of ordinary shares			
	1.1.2022	Acquired	Sold	31.12.2022
<i>Direct Interest:</i>				
<i>Ordinary shares of the Company</i>				
Tan Sri Rozali bin Ismail	1,901,900	-	-	1,901,900
Azlan Shah bin Rozali	389,400	-	-	389,400
<i>Deemed Interest:</i>				
<i>Ordinary shares of the Company</i>				
Tan Sri Rozali bin Ismail *	175,140,824	-	-	175,140,824
Datuk Sr Haji Johari bin Wahab **	1,050	-	-	1,050

\* Deemed interest by virtue of 100% shareholding interest in CPMSB and CLMSB, both are substantial corporate shareholders of the Company, of which 5% is held in his own name and 95% in his spouse's and children's names.

\*\* Deemed interest by virtue of shares held in his brother's name.

By virtue of his interests in the shares of the Company, Tan Sri Rozali bin Ismail is also deemed interested in the shares of the subsidiaries during the financial year to the extent that Puncak Niaga Holdings Berhad has an interest.

None of the other Directors holding office at 31 December 2022 had any interest in the shares of the Company and of its related corporations during the financial year.

### DIRECTORS' BENEFITS

Total Directors' remuneration incurred by the Group and the Company for the financial year ended 31 December 2022 was RM3,744,000 (2021: RM4,275,000) and RM603,000 (2021: RM885,000) respectively. Further details are disclosed in Note 28 to the financial statements.

Since the end of the previous financial year, no Director has received or become entitled to receive a benefit (other than benefits included in the aggregate amount of remuneration received or due and receivable by the Directors or the fixed salary of a full-time employee of the Company as shown in Note 28 to the financial statements) by reason of a contract made by the Company or a related corporation with any Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest, except for any benefits which may be deemed to arise from transactions entered into in the ordinary course of business with companies in which certain Directors have substantial financial interests as disclosed in Note 33(A) to the financial statements.

There were no arrangements during and at the end of the financial year which had the object of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

### ISSUE OF SHARES AND DEBENTURES

During the financial year, there were no changes in the issued and paid-up capital of the Company. The Company has not issued any debentures during the financial year.



## Directors' Report

For the Year Ended 31 December 2022

### OPTIONS GRANTED OVER UNISSUED SHARES

No options were granted to any person to take up unissued shares of the Company during the financial year.

### INDEMNITY AND INSURANCE COSTS

During the financial year, there was no indemnity cost for Directors or Officers of the Company. The insurance cost for Directors and Officers liability of the Group and of the Company was RM140,195.

### QUALIFICATION OF SUBSIDIARIES' FINANCIAL STATEMENTS

There is no qualification for the auditors' report on the audit of the financial statements of the Company's subsidiaries.

### OTHER STATUTORY INFORMATION

Before the financial statements of the Group and of the Company were made out, the Directors took reasonable steps to ascertain that:

- (i) action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and
- (ii) any current assets which were unlikely to be realised in the ordinary course of business including their values as shown in the accounting records of the Group and of the Company have been written down to an amount which they might be expected so to realise.

At the date of this report, the Directors are not aware of any circumstances:

- (i) which would render the amounts written off for bad debts or the amount of the provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or
- (ii) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or
- (iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate; or
- (iv) not otherwise dealt with in this report or the financial statements which would render any amount stated in the financial statements misleading.

At the date of this report, there does not exist:

- (i) any charge on the assets of the Group or of the Company that has arisen since the end of the financial year and which secures the liabilities of any other person; or
- (ii) any contingent liability in respect of the Group or of the Company that has arisen since the end of the financial year.

In the opinion of the Directors:

- (i) no contingent liability or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group and of the Company to meet their obligations as and when they fall due;
- (ii) the results of operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and
- (iii) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the current financial year in which this report is made.

## Directors' Report

For the Year Ended 31 December 2022

### LIST OF DIRECTORS OF SUBSIDIARIES

Pursuant to Section 253 of the Companies Act 2016 in Malaysia, the list of Directors of the subsidiaries (excluding Directors who are also Directors of the Company) during the financial year and up to the date of this report is as follows:

Tan Bee Lian  
 Faridatulzakiah binti Mohd Bakhry  
 Syed Badli Shah bin Syed Mansoor  
 Taufik Afendy bin Othman  
 Lim Mun Lee  
 Prof Dato' Dr Mohd Zainul Fithri bin Othman  
 YAM Dato' Tengku Rozanna Petri binti Tengku Mohamed Nasrun  
 YAM Tengku Mohamad Ridzman  
 Tan Sri Datuk Ling Chiong Ho  
 Dato' Syed Danial bin Syed Ariffin  
 Dato' Borhan bin Mohd Doya  
 Faizal bin Zaharudin  
 Mohammad Shahree bin Shamsuddin  
 Mohd Sukrie bin Mat Zin  
 Wong Ko Hock  
 Dr Gabriel Peter Salgo  
 Johanna Sammet  
 Chandran s/o Urath Sankaran Nair (Appointed on 31 May 2022)  
 Iffat Saeef bin Borhan (Appointed on 20 March 2023)  
 Azini bin Omar (Resigned on 31 January 2022)  
 Lim Hock Thye (Resigned on 31 May 2022)  
 Wong Ley Chan (Resigned on 8 June 2022)  
 Bakri bin Jamaluddin (Appointed on 31 January 2022 and resigned on 3 October 2022)  
 Dato' Ts. Jamaludin bin Buyong (Resigned on 31 December 2022)  
 Kamaruzaman bin Budin (Resigned on 31 December 2022)  
 Chan Yit Hwa (Resigned on 10 February 2023)  
 Dato' Azlinda binti Zainal Abidin (Resigned on 20 March 2023)  
 T. Anandan (Ceased as Director on 28 January 2022)

### SIGNIFICANT EVENTS

Significant events are disclosed in Note 34 to the financial statements.

## Directors' Report

For the Year Ended 31 December 2022

### AUDITORS

The total amount of fees paid to or receivable by the Auditors, as remuneration for their services as Auditors of the Group and of the Company for the financial year ended 31 December 2022 amounted to RM438,000 and RM83,000 respectively. Further details are disclosed in Note 24.1 to the financial statements.

The Group and the Company have agreed to indemnify the Auditors, Grant Thornton Malaysia PLT to the extent permissible under the provision of the Companies Act 2016 in Malaysia. However, no payment has been made arising from this indemnity for the financial year.

The Auditors, Grant Thornton Malaysia PLT have expressed their willingness to continue in office.

Signed on behalf of the Board of Directors in accordance with a resolution of the Board of Directors:

.....  
**Tan Sri Rozali bin Ismail**  
Director

.....  
**Azlan Shah bin Rozali**  
Director

Shah Alam

Date: 30 March 2023



# Statements of Financial Position

As at 31 December 2022

	Note	Group		Company	
		2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
<b>Assets</b>					
<b>Non-current assets</b>					
Property, plant and equipment	4	472,310	478,016	15	18
Investment properties	5	848,844	836,380	270,800	266,200
Bearer biological assets	6	311,447	309,711	-	-
Concession asset	7	4,567	4,967	-	-
Investment in subsidiaries	8	-	-	890,848	890,848
Investment in associate	9	13	12	29	26
Deferred tax assets	10	45,205	36,598	-	-
Trade and other receivables	14	822,255	859,213	-	-
		2,504,641	2,524,897	1,161,692	1,157,092
<b>Current assets</b>					
Inventories	11	4,890	4,280	-	-
Fresh fruits bunches	12	5,837	5,811	-	-
Contract assets	13	5,015	727	-	-
Trade and other receivables	14	184,398	209,746	192,969	180,795
Short-term investments	15	59,088	95,007	5,072	10,157
Tax recoverable		1,745	788	-	-
Cash and cash equivalents	16	194,693	243,283	31,475	57,744
		455,666	559,642	229,516	248,696
<b>Total assets</b>		<b>2,960,307</b>	<b>3,084,539</b>	<b>1,391,208</b>	<b>1,405,788</b>

## Statements of Financial Position

As at 31 December 2022

	Note	Group		Company	
		2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
<b>Equity and liabilities</b>					
<b>Equity attributable to owners of the Company</b>					
Share capital		554,663	554,663	554,663	554,663
Treasury shares		(5,941)	(5,941)	(5,941)	(5,941)
Reserves		93,320	93,274	-	-
Retained earnings		650,579	666,479	813,173	829,014
	17	1,292,621	1,308,475	1,361,895	1,377,736
Non-controlling interests	8.4	24,604	27,935	-	-
<b>Total equity</b>		<b>1,317,225</b>	<b>1,336,410</b>	<b>1,361,895</b>	<b>1,377,736</b>
<b>Non-current liabilities</b>					
Loans and borrowings	18	956,660	995,537	-	-
Concession liability	7	96,073	100,779	-	-
Deferred tax liabilities	10	164,873	168,241	20,644	20,184
		1,217,606	1,264,557	20,644	20,184
<b>Current liabilities</b>					
Loans and borrowings	18	218,538	238,048	-	-
Trade and other payables	19	162,057	195,620	8,669	7,868
Contract liabilities	13	3,906	4,153	-	-
Provision for foreseeable loss	20	39,404	43,581	-	-
Tax payable		1,571	2,170	-	-
		425,476	483,572	8,669	7,868
<b>Total liabilities</b>		<b>1,643,082</b>	<b>1,748,129</b>	<b>29,313</b>	<b>28,052</b>
<b>Total equity and liabilities</b>		<b>2,960,307</b>	<b>3,084,539</b>	<b>1,391,208</b>	<b>1,405,788</b>

The accompanying notes form an integral part of these financial statements.

# Statements of Profit or Loss and Other Comprehensive Income

For the Year Ended 31 December 2022

	Note	Group		Company	
		2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
<b>Revenue</b>	21	<b>220,928</b>	355,003	<b>680</b>	-
Other income		<b>18,035</b>	7,709	<b>5,353</b>	397
Finance income		<b>5,712</b>	6,498	<b>7,710</b>	7,696
<b>Items of expense</b>					
Raw materials, consumables and maintenance		<b>(1,662)</b>	(6,975)	-	-
Construction contract costs		<b>(56,751)</b>	(117,779)	-	-
Plantation costs		<b>(36,692)</b>	(31,202)	-	-
Concession costs		<b>(11,994)</b>	(54,635)	-	-
Employee benefits expense	22	<b>(43,191)</b>	(42,995)	<b>(1,264)</b>	(1,644)
Impairment losses	8.3	-	-	-	(996)
Net gain/(loss) on impairment of financial instruments and contract assets		<b>2,109</b>	(574)	<b>(11,953)</b>	(62)
Reversal for foreseeable loss	20	<b>4,177</b>	381	-	-
Depreciation and amortisation expense		<b>(19,801)</b>	(22,807)	<b>(8)</b>	(6)
Other expenses		<b>(32,108)</b>	(28,273)	<b>(15,891)</b>	(17,231)
Finance costs	23	<b>(72,390)</b>	(79,357)	<b>(8)</b>	(9)
Share of results of equity accounted entities		<b>(58)</b>	(64)	-	-
<b>Loss before tax</b>	24	<b>(23,686)</b>	(15,070)	<b>(15,381)</b>	(11,855)
Tax credit/(expense)	25	<b>4,455</b>	3,885	<b>(460)</b>	108
<b>Loss for the year</b>		<b>(19,231)</b>	(11,185)	<b>(15,841)</b>	(11,747)
<b>Other comprehensive income</b>					
<b>Item that is or may be reclassified subsequently to profit or loss</b>					
Foreign currency translation	26	<b>46</b>	7	-	-
<b>Total comprehensive expense for the year</b>		<b>(19,185)</b>	(11,178)	<b>(15,841)</b>	(11,747)
<b>Loss attributable to:</b>					
Owners of the Company		<b>(15,900)</b>	(9,049)	<b>(15,841)</b>	(11,747)
Non-controlling interests	8.4	<b>(3,331)</b>	(2,136)	-	-
		<b>(19,231)</b>	(11,185)	<b>(15,841)</b>	(11,747)
<b>Total comprehensive expense attributable to:</b>					
Owners of the Company		<b>(15,854)</b>	(9,042)	<b>(15,841)</b>	(11,747)
Non-controlling interests		<b>(3,331)</b>	(2,136)	-	-
		<b>(19,185)</b>	(11,178)	<b>(15,841)</b>	(11,747)
<b>Basic loss per ordinary share (sen per share):</b>					
Basic/Diluted	27	<b>(3.56)</b>	(2.02)		

The accompanying notes form an integral part of these financial statements.



# Statements of Changes in Equity

For the Year Ended 31 December 2022

		← Attributable to owners of the Company →		
		← Non-distributable →		
Group	Note	Share capital RM'000	Treasury shares RM'000	Foreign currency translation reserve RM'000
<b>At 1 January 2021</b>		554,663	(5,941)	891
Foreign currency translation	26	-	-	7
Total other comprehensive income		-	-	7
Loss for the year		-	-	-
Total comprehensive income/(expense)		-	-	7
Contributions by owners of the Company:				
Subscription of shares by NCI in a subsidiary	8.4(a)	-	-	-
<b>Total transactions with owners of the Company</b>		-	-	-
Realisation of revaluation arising from disposal of assets		-	-	-
<b>At 31 December 2021</b>		554,663	(5,941)	898
<b>At 1 January 2022</b>		<b>554,663</b>	<b>(5,941)</b>	<b>898</b>
Foreign currency translation	26	-	-	46
Total other comprehensive income		-	-	46
Loss for the year		-	-	-
Total comprehensive income/(expense)		-	-	46
<b>At 31 December 2022</b>		<b>554,663</b>	<b>(5,941)</b>	<b>944</b>

## Statements of Changes in Equity

For the Year Ended 31 December 2022

Distributable				Non-controlling interests RM'000	Total equity RM'000
Revaluation reserve RM'000	Other reserve RM'000	Retained earnings RM'000	Total RM'000		
114,313	(20,014)	673,605	1,317,517	29,971	1,347,488
-	-	-	7	-	7
-	-	-	7	-	7
-	-	(9,049)	(9,049)	(2,136)	(11,185)
-	-	(9,049)	(9,042)	(2,136)	(11,178)
-	-	-	-	100	100
-	-	-	-	100	100
(1,923)	-	1,923	-	-	-
112,390	(20,014)	666,479	1,308,475	27,935	1,336,410
<b>112,390</b>	<b>(20,014)</b>	<b>666,479</b>	<b>1,308,475</b>	<b>27,935</b>	<b>1,336,410</b>
-	-	-	46	-	46
-	-	-	46	-	46
-	-	(15,900)	(15,900)	(3,331)	(19,231)
-	-	(15,900)	(15,854)	(3,331)	(19,185)
<b>112,390</b>	<b>(20,014)</b>	<b>650,579</b>	<b>1,292,621</b>	<b>24,604</b>	<b>1,317,225</b>

## Statements of Changes in Equity

For the Year Ended 31 December 2022

Company	Attributable to owners of the Company				
	Non-distributable		Distributable		
	Share capital RM'000	Treasury shares RM'000	Revaluation reserve RM'000	Retained earnings RM'000	Total equity RM'000
<b>At 1 January 2021</b>	554,663	(5,941)	1,656	839,105	1,389,483
Loss and total comprehensive expense for the year	-	-	-	(11,747)	(11,747)
Realisation of revaluation arising from disposal of assets	-	-	(1,656)	1,656	-
<b>At 31 December 2021</b>	<b>554,663</b>	<b>(5,941)</b>	<b>-</b>	<b>829,014</b>	<b>1,377,736</b>
Loss and total comprehensive expense for the year	-	-	-	(15,841)	(15,841)
<b>At 31 December 2022</b>	<b>554,663</b>	<b>(5,941)</b>	<b>-</b>	<b>813,173</b>	<b>1,361,895</b>

The accompanying notes form an integral part of these financial statements.



# Statements of Cash Flows

For the Year Ended 31 December 2022

		Group		Company	
	Note	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
<b>Cash flows from operating activities</b>					
Receipts from customers		279,793	293,798	-	-
Other income		3,389	1,613	752	361
Payments for operating expenses		(122,947)	(105,719)	(4,693)	(6,892)
Payments to contractors		(87,828)	(191,845)	-	-
Payment of management fee to a subsidiary		-	-	(11,774)	(11,247)
<b>Cash from/(used in) operations</b>		<b>72,407</b>	<b>(2,153)</b>	<b>(15,715)</b>	<b>(17,778)</b>
Tax paid		(8,942)	(3,158)	-	-
Interest income		5,953	9,447	805	1,375
<b>Net cash generated from/(used in) operating activities</b>		<b>69,418</b>	<b>4,136</b>	<b>(14,910)</b>	<b>(16,403)</b>
<b>Cash flows from investing activities</b>					
Investment in ordinary shares of a subsidiary	8.1(a)	-	-	-	(150)
Investment in redeemable preference shares of a subsidiary	8.1(b)	-	-	-	(4,500)
Acquisition of investment properties	(ii)	(9,900)	(365)	-	-
Acquisition of property, plant and equipment	(iii)	(8,541)	(6,071)	(5)	(23)
Additions of bearer biological assets	(iv)	(4,489)	(2,644)	-	-
Dividends received from a subsidiary	21	-	-	680	-
Net advances to subsidiaries		-	-	(17,066)	(8,661)
Net advance to associate		(3)	(3)	(3)	(3)
Net advance to joint venture		-	-	(56)	(62)
Net proceeds from short-term investments		35,921	28,236	5,085	11,624
Proceeds from disposal of investment properties		-	6,241	-	6,241
Proceeds from disposal of property, plant and equipment		794	327	-	-
<b>Net cash from/(used in) investing activities</b>		<b>13,782</b>	<b>25,721</b>	<b>(11,365)</b>	<b>4,466</b>

## Statements of Cash Flows

For the Year Ended 31 December 2022

	Note	Group		Company	
		2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
<b>Cash flows from financing activities</b>					
NCI subscription of share capital in a subsidiary		-	100	-	-
Proceeds from loans and borrowings		40,600	30,700	-	-
Interest paid		(69,273)	(63,307)	-	-
Increase in pledged deposit		(3,959)	(24,586)	(215)	(13,188)
Repayment of loans and borrowings		(97,132)	(55,500)	-	-
Repayment of lease liabilities		(3,403)	(3,155)	-	-
<b>Net cash used in financing activities</b>		<b>(133,167)</b>	<b>(115,748)</b>	<b>(215)</b>	<b>(13,188)</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(49,967)</b>	<b>(85,891)</b>	<b>(26,490)</b>	<b>(25,125)</b>
Effects of exchange rate changes on cash held		11	(9)	6	(30)
Cash and cash equivalents at 1 January		199,828	285,728	44,556	69,711
<b>Cash and cash equivalents at 31 December</b>	(i)	<b>149,872</b>	<b>199,828</b>	<b>18,072</b>	<b>44,556</b>

### (i) Cash and cash equivalents

Cash and cash equivalents included in the statements of cash flows comprise the following statements of financial position amounts:

	Note	Group		Company	
		2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Deposits with licensed banks	16	110,670	126,079	25,365	44,487
Cash and bank balances	16	84,023	117,204	6,110	13,257
		194,693	243,283	31,475	57,744
Less:					
Cash and bank balances pledged	16	(44,796)	(40,837)	(13,403)	(13,188)
Bank overdraft	18	(25)	(2,618)	-	-
		149,872	199,828	18,072	44,556

## Statements of Cash Flows

For the Year Ended 31 December 2022

### (ii) Acquisition of investment properties

During the financial year, the Group has made the following cash payments to acquire investment properties:

	Note	Group	
		2022 RM'000	2021 RM'000
Purchase of investment properties	5	11,554	-
Deposit and direct expenditure paid		(1,654)	-
Utilisation of balance settlement		-	365
Cash payments on purchase of investment properties		9,900	365

### (iii) Acquisition of property, plant and equipment

During the financial year, the Group and the Company made the following cash payments to purchase property, plant and equipment:

	Note	Group		Company	
		2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Purchase of property, plant and equipment	4	9,984	6,568	5	23
Financed by lease agreements		(1,027)	-	-	-
Other non-cash adjustment		(416)	(497)	-	-
Cash payments on purchase of property, plant and equipment		8,541	6,071	5	23

### (iv) Additions of bearer biological assets

During the financial year, the Group has made the following cash payments to acquire bearer biological assets:

	Note	Group	
		2022 RM'000	2021 RM'000
Additions of bearer biological assets	6	7,911	6,128
Depreciation of property, plant and equipment	6.1	(1,665)	(1,780)
Finance cost capitalised	6.1	(1,757)	(1,704)
Cash payments on additions of bearer biological assets		4,489	2,644



## Statements of Cash Flows

For the Year Ended 31 December 2022

### (v) Cash outflows for leases as a lessee

	Group	
	2022 RM'000	2021 RM'000
<b>Included in net cash from operating activities:</b>		
Payment relating to short-term leases	890	696
Payment relating to leases of low-value assets	295	290
Interest paid in relation to lease liabilities	393	412
<b>Included in net cash used in financing activities:</b>		
Repayment of lease liabilities	3,403	3,155
<b>Total cash outflows for leases</b>	<b>4,981</b>	<b>4,553</b>

### (vi) Reconciliation between movements of liabilities to cash flows arising from financing activities

	At 1 January 2021 RM'000	Net changes used in financing cash flows RM'000	Other non-cash flow changes RM'000	At 31 December 2021 RM'000	Net changes used in financing cash flows RM'000	Other non-cash flow changes RM'000	At 31 December 2022 RM'000
<b>Group</b>							
Tawarruq term loan	131,383	(500)	-	130,883	(2,400)	-	128,483
Revolving credit facility	149,300	700	-	150,000	-	-	150,000
Medium Term Notes	310,637	(20,000)	716	291,353	(25,000)	648	267,001
Senior Sukuk Murabahah	617,694	-	2,426	620,120	(40,000)	2,407	582,527
Sukuk Murabahah	-	-	-	-	40,600	-	40,600
Bank overdraft	2,800	(182)	-	2,618	(2,593)	-	25
Term loan	22,252	(5,000)	-	17,252	(17,252)	-	-
Cashline-I	12,478	-	-	12,478	(12,480)	2	-
Lease liabilities	12,032	(3,155)	4	8,881	(3,403)	1,084	6,562
	1,258,576	(28,137)	3,146	1,233,585	(62,528)	4,141	1,175,198

The accompanying notes form an integral part of these financial statements.

# Notes to the Financial Statements

Puncak Niaga Holdings Berhad is a public limited liability company, incorporated and domiciled in Malaysia and listed on the Main Market of Bursa Securities. The addresses of the principal place of business and registered office of the Company are as follows:

## PRINCIPAL PLACE OF BUSINESS

Wisma Rozali, No. 4, Persiaran Sukan, Seksyen 13, 40100 Shah Alam, Selangor Darul Ehsan.

## REGISTERED OFFICE

10th Floor, Wisma Rozali, No. 4, Persiaran Sukan, Seksyen 13, 40100 Shah Alam, Selangor Darul Ehsan.

The consolidated financial statements as at and for the financial year ended 31 December 2022 comprise the Company and its subsidiaries (together referred to as the “Group” and individually referred to as “Group entities”) and the Group’s interest in associates and joint ventures. The financial statements of the Company as at and for the financial year ended 31 December 2022 do not include any other entities.

The principal activity of the Company is investment holding whilst the principal activities of the other Group entities are as disclosed in Note 8 to the financial statements. There has been no significant change in the nature of the principal activities.

These financial statements were authorised for issue by the Board of Directors on 30 March 2023.

## 1. BASIS OF PREPARATION

### (a) Statement of compliance

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards (“MFRS”), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

At the beginning of the current financial year, the Group and the Company adopted new standards/amendments/improvements to MFRSs which are mandatory for the financial periods beginning on or after 1 January 2022.

#### Adoption of Standards, Amendments and Annual Improvements to Standards

- Amendments to MFRS 3 Business Combinations - Reference to the Conceptual Framework
- Amendments to MFRS 116 Property, Plant and Equipment - Proceeds before Intended Use
- Amendments to MFRS 137 Provisions, Contingent Liabilities and Contingent Assets - Onerous Contract-Cost of Fulfilling a Contract
- Annual Improvements to MFRS Standards 2018-2020

The following are accounting standards, amendments and interpretations that have been issued by the Malaysian Accounting Standards Board (“MASB”) but have not been adopted by the Group and the Company:

#### Effective for annual period beginning on or after 1 January 2023

- MFRS 17 Insurance Contracts and Amendments to MFRS 17 Insurance Contracts
- Amendments to MFRS 17 - Initial Application of MFRS 17 and MFRS 9 - Comparative Information
- Amendments to MFRS 101 Presentation of Financial Statements - Classification of Liabilities as Current or Non-Current
- Amendments to MFRS 101 Presentation of Financial Statements - Disclosure of Accounting Policies
- Amendments to MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Accounting Estimates
- Amendments to MFRS 112 Income Taxes - Deferred Tax related to Assets and Liabilities arising from a Single Transaction

## Notes to the Financial Statements

### 1. BASIS OF PREPARATION (CONTINUED)

#### (a) Statement of compliance (continued)

##### Effective for annual period beginning on or after 1 January 2024

- Amendments to MFRS 16 Leases - Lease Liability in a Sale and Leaseback
- Amendments to MFRS 101 Presentation of Financial Statements - Non-Current Liabilities with Covenants

##### Deferred to a date to be determined by the MASB

Amendments to MFRS 10 Consolidated Financial Statements and MFRS 128 Investments in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture.

The Group and the Company plan to apply the abovementioned accounting standards, interpretations and amendments from the annual period beginning on 1 January 2023 and 1 January 2024 for those accounting standards, interpretations and amendments, that are effective for annual periods beginning on or after 1 January 2023 and 1 January 2024.

The initial application of the above accounting standards, interpretations or amendments are not expected to have any material financial impacts to the future period of the financial statements of the Group and of the Company.

#### (b) Basis of measurement

The financial statements have been prepared on the historical cost basis other than as disclosed in Note 2 to the financial statements.

#### (c) Functional and presentation currency

These financial statements are presented in RM, which is the Group's and the Company's functional currency. All financial information is presented in RM and has been rounded to the nearest thousand, unless otherwise stated.

#### (d) Use of estimates and judgements

The preparation of the financial statements in conformity with MFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

There are no significant areas of estimation uncertainty and critical judgements in applying accounting policies that have significant effect on the amounts recognised in the financial statements other than those disclosed in the following notes:

- Note 4.3 - Revaluation of freehold land, leasehold land and buildings
- Note 5.1 - Fair value of investment properties
- Note 8.3 - Impairment loss on investment in subsidiaries
- Note 10 - Deferred tax assets/liabilities
- Note 12.1 - Fair value of fresh fruit bunches
- Note 14.5 - Impairment of amounts due from subsidiaries
- Note 20 - Provision for foreseeable loss
- Note 21 - Revenue
- Note 25 - Tax credit/expense
- Note 30.4 - Provision for expected credit losses

## Notes to the Financial Statements

### 2. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to the periods presented in these financial statements and have been applied consistently by Group entities, unless otherwise stated.

#### (a) Basis of consolidation

##### (i) Subsidiaries

Subsidiaries are entities, including structured entities, controlled by the Company. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Potential voting rights are considered when assessing control only when such rights are substantive. The Group also considers it has de facto power over an investee when, despite not having the majority of voting rights, it has the current ability to direct the activities of the investee that significantly affect the investee's return.

Investments in subsidiaries are measured in the Company's statement of financial position at cost less any impairment losses, unless the investment is classified as held for sale or distribution. The cost of investment includes transaction costs.

##### (ii) Business combinations

Business combinations are accounted for using the acquisition method from the acquisition date, which is the date on which control is transferred to the Group.

For new acquisitions, the Group measures the cost of goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

For each business combination, the Group elects whether it measures the non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets at the acquisition date.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

##### (iii) Acquisitions of non-controlling interests

The Group accounts all changes in its ownership interest in a subsidiary that do not result in a loss of control as equity transactions between the Group and its non-controlling interest holders. Any difference between the Group's share of net assets before and after the change, and any consideration received or paid, is adjusted to or against Group reserves.



## Notes to the Financial Statements

### 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### (a) Basis of consolidation (continued)

##### (iv) Loss of control

Upon the loss of control of a subsidiary, the Group derecognises the assets and liabilities of the former subsidiary, any non-controlling interests and the other components of equity related to the former subsidiary from the consolidated statement of financial position. Any surplus or deficit arising from the loss of control is recognised in profit or loss. If the Group retains any interest in the former subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently it is accounted for as an equity-accounted investee or a financial asset depending on the level of influence retained.

##### (v) Associates

Associates are entities, including unincorporated entities, in which the Group has significant influence, but not control, over the financial and operating policies.

Investments in associates are accounted for in the consolidated financial statements using the equity method less any impairment losses, unless it is classified as held for sale or distribution. The cost of the investment includes transaction costs. The consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of the associates, after adjustments if any, to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases.

When the Group's share of losses exceeds its interest in an associate, the carrying amount of that interest including any long-term investments is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the associate.

When the Group ceases to have significant influence over an associate, any retained interest in the former associate at the date when significant influence is lost is measured at fair value and this amount is regarded as the initial carrying amount of a financial asset. The difference between the fair value of any retained interest plus proceeds from the interest disposed of and the carrying amount of the investment at the date when equity method is discontinued is recognised in the profit or loss.

When the Group's interest in an associate decrease but does not result in a loss of significant influence, any retained interest is not remeasured. Any gain or loss arising from the decrease in interest is recognised in profit or loss. Any gains or losses previously recognised in other comprehensive income are also reclassified proportionately to profit or loss if that gain or loss would be required to be reclassified to profit or loss on the disposal of the related assets or liabilities.

Investments in associates are measured in the Company's statement of financial position at cost less any impairment losses. The cost of the investment includes transaction costs.

## Notes to the Financial Statements

### 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### (a) Basis of consolidation (continued)

##### (vi) Joint arrangements

Joint arrangements are arrangements of which the Group or the Company has joint control, established by contracts requiring unanimous consent for decisions about the activities that significantly affect the arrangements' returns.

Joint arrangements are classified and accounted for as follows:

- A joint arrangement is classified as "joint operation" when the Group or the Company has rights to the assets and obligations for the liabilities relating to an arrangement. The Group and the Company account for each of its share of the assets, liabilities and transactions, including its share of those held or incurred jointly with the other investors, in relation to the joint operation.
- A joint arrangement is classified as "joint venture" when the Group or the Company has rights only to the net assets of the arrangements. The Group accounts for its interest in the joint venture using the equity method. Investments in joint venture are measured in the Company's statement of financial position at cost less any impairment losses, unless the investment is classified as held for sale or distribution. The cost of investment includes transaction costs.

##### (vii) Non-controlling interests

Non-controlling interests at the end of the reporting period, being the equity in a subsidiary not attributable directly or indirectly to the equity holders of the Company, are presented in the consolidated statement of financial position and statement of changes in equity within equity, separately from equity attributable to the owners of the Company. Non-controlling interests in the results of the Group is presented in the consolidated statement of profit or loss and other comprehensive income as an allocation of the profit or loss and the comprehensive income for the year between non-controlling interests and owners of the Company.

Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

##### (viii) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

Unrealised gains arising from transactions with equity-accounted associates and joint venture are eliminated against the investment to the extent of the Group's interest in the investees. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

## Notes to the Financial Statements

### 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### (b) Foreign currency

##### (i) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the end of the reporting period are retranslated to the functional currency at the exchange rate at that date.

Non-monetary assets and liabilities denominated in foreign currencies are not retranslated at the end of the reporting date except for those that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined.

Foreign currency differences arising on retranslation are recognised in profit or loss, except for differences arising on the retranslation of equity instruments where they are measured at fair value through other comprehensive income.

In the consolidated financial statements, when settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation and are recognised in other comprehensive income, and are presented in the foreign currency translation reserve ("FCTR") in equity.

##### (ii) Operations denominated in functional currencies other than RM

The assets and liabilities of operations denominated in functional currencies other than RM, including goodwill and fair value adjustments arising on acquisition, are translated to RM at exchange rates at the end of the reporting period. The income and expenses of foreign operations are translated to RM at exchange rates at the dates of the transactions.

Foreign currency differences are recognised in other comprehensive income and accumulated in the FCTR in equity. However, if the operation is a non-wholly-owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the non-controlling interests. When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the FCTR related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal.

When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of its investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

#### (c) Financial instruments

##### (i) Recognition and initial measurement

A financial asset or a financial liability is recognised in the statement of financial position when, and only when, the Group or the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without significant financing component) or a financial liability is initially measured at fair value plus or minus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issuance. A trade receivable without a significant financing component is initially measured at the transaction price.

## Notes to the Financial Statements

### 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### (c) Financial instruments (continued)

##### (i) Recognition and initial measurement (continued)

An embedded derivative is recognised separately from the host contract where the host contract is not a financial asset, and accounted for separately if, and only if, the derivative is not closely related to the economic characteristics and risks of the host contract and the host contract is not measured at fair value through profit or loss. The host contract, in the event an embedded derivative is recognised separately, is accounted for in accordance with policy applicable to the nature of the host contract.

##### (ii) Financial instrument categories and subsequent measurement

The Group and the Company categorise financial instruments as follows:

##### *Financial assets*

Categories of financial assets are determined on initial recognition and are not reclassified subsequent to their initial recognition unless the Group or the Company changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change of the business model.

##### (a) *Amortised cost*

Amortised cost category comprises financial assets that are held within a business model whose objective is to hold assets to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The financial assets are not designated as fair value through profit or loss. Subsequent to initial recognition, these financial assets are measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Interest income is recognised by applying effective interest rate to the gross carrying amount except for credit impaired financial assets (see Note 2(o)(i)) where the effective interest rate is applied to the amortised cost.

##### (b) *Fair value through profit or loss*

All financial assets not measured at amortised cost or fair value through other comprehensive income as described above are measured at fair value through profit or loss. This includes derivative financial assets (except for a derivative that is a designated and effective hedging instrument). On initial recognition, the Group or the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at fair value through other comprehensive income as at fair value through profit or loss if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets categorised as fair value through profit or loss are subsequently measured at their fair value. Net gains or losses, including any interest or dividend income, are recognised in the profit or loss.

All financial assets, except for those measured at fair value through profit or loss and equity investments measured at fair value through other comprehensive income, are subject to impairment assessment (see Note 2(o)(i)).



## Notes to the Financial Statements

### 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### (c) Financial instruments (continued)

##### (ii) Financial instrument categories and subsequent measurement (continued)

The Group and the Company categorise financial instruments as follows (continued):

##### **Financial liabilities**

The categories of financial liabilities at initial recognition are as follows:

##### (a) **Amortised cost**

Other financial liabilities not categorised as fair value through profit or loss are subsequently measured at amortised cost using the effective interest method.

Interest expense and foreign exchange gains and losses are recognised in the profit or loss. Any gains or losses on derecognition are also recognised in the profit or loss.

##### (iii) **Financial guarantee contracts**

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Financial guarantees issued are initially measured at fair value. Subsequently, they are measured at higher of:

- the amount of the loss allowance; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of MFRS 15, *Revenue from Contracts with Customers*.

Liabilities arising from financial guarantees are presented together with other provisions.

##### (iv) **Derecognition**

A financial asset or part of it is derecognised when, and only when the contractual rights to the cash flows from the financial asset expire or the financial asset is transferred to another party without retaining control or substantially all risks and rewards of the asset. On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised in equity is recognised in profit or loss.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged, cancelled or expires. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

##### (v) **Offsetting**

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group or the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and liability simultaneously.

## Notes to the Financial Statements

### 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### (d) Property, plant and equipment

##### (i) Recognition and measurement

Items of property, plant and equipment are measured at cost/revaluation less any accumulated depreciation and any accumulated impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset and any other costs directly attributable to bringing the asset to working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. The cost of self-constructed assets also includes the cost of materials and direct labour. For qualifying assets, borrowing costs are capitalised in accordance with the accounting policy on borrowing costs. Cost also may include transfers from equity of any gain or loss on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and is recognised net within "other income" and "other expenses" respectively in profit or loss.

##### Property, plant and equipment under the revaluation model

The Group revalue its properties comprising land and buildings every 3 years and at shorter intervals whenever the fair value of the revalued assets is expected to differ materially from their carrying value.

Surpluses arising from revaluation are dealt with in the revaluation reserve account. Any deficit arising is offset against the revaluation reserve to the extent of a previous increase for the same property. In all other cases, a decrease in carrying amount is recognised in profit or loss. When revalued assets are sold, the amounts included in the revaluation surplus reserve are transferred to retained earnings.

##### (ii) Subsequent costs

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Group or the Company, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised to profit or loss. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

##### (iii) Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed, and if a component has a useful life that is different from the remainder of that asset, then that component are depreciated separately.

## Notes to the Financial Statements

### 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### (d) Property, plant and equipment (continued)

##### (iii) Depreciation (continued)

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment. Freehold land is not depreciated. Property, plant and equipment under construction are not depreciated until the assets are ready for their intended use.

The estimated useful lives for the current and comparative periods are as follows:

• Buildings	10 to 50 years
• Plantation building	10 to 50 years
• Infrastructure	50 years
• Plant and machinery	4 to 25 years
• Computers, software and equipment	3 to 10 years
• Furniture and fittings	5 to 10 years
• Motor vehicles	5 to 10 years
• Renovations	3 to 10 years

Depreciation methods, useful lives and residual values are reviewed at the end of the reporting period and adjusted as appropriate.

##### Right-of-use assets

The below accounting policies for property, plant and equipment applies to leasehold land, plantation land, leasehold improvement, plant and machinery and motor vehicles.

The estimated useful lives for:

• Long-term leasehold land	over the leasehold period of 82 to 99 years
• Plantation land	over the leasehold period of 86 years
• Leasehold improvement	10 years
• Plant and machinery	4 to 25 years
• Motor vehicles	5 to 10 years

#### (e) Bearer biological assets

Bearer biological assets comprise oil palm plants which are stated at cost less any accumulated depreciation and any accumulated impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the plants and any other costs directly attributable to bringing the plants to maturity. The cost also includes the cost of planting, upkeep and maintenance, direct labour and estate overheads. For immature plants, borrowing costs are capitalised in accordance with the accounting policy on borrowing costs.

Upon maturity of the plants, accumulated cost will be depreciated over estimated production life of the plants of approximately 25 years from date of maturity.

## Notes to the Financial Statements

### 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### (e) Bearer biological assets (continued)

The depreciation method of the plants is the units of production method, which results in a charge based on the expected yield of the plants. The depreciation method of the bearer plants (determined by fields of planting or replanting) is reviewed at the end of each reporting period, and any change in estimate is applied prospectively over the remaining useful life of the plants, commencing in the current period.

When the plants reach the end of their useful lives and are replanted, the carrying amount of the plants is derecognised.

#### (f) Investment properties

##### (i) Investment properties carried at fair value

Investment properties are properties which are owned or right-of-use asset held under a lease contract to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment properties which are owned are measured initially at cost. Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, any other costs directly attributable to bringing the investment property to a working condition for their intended use and capitalised borrowing costs. Right-of-use asset held under a lease contract that meets the definition of investment property is initially measured similarly as other right-of-use assets.

Subsequently, investment properties are measured at fair value with any changes therein recognised in profit or loss for the period in which they arise. Where the fair value of the investment property under construction is not reliably determinable, the investment property under construction is measured at cost until either its fair value becomes reliably determinable or construction is complete, whichever is earlier.

The fair value of investment properties held by the Group as a right-of-use asset reflects the expected cash flows. Accordingly, where valuation obtained for a property is net of all payments expected to be made, the Group added back any recognised lease liability to arrive at the carrying amount of the investment property using the fair value model.

An investment property is derecognised on its disposal, or when it is permanently withdrawn from use and no future economic benefits are expected from its disposal. The difference between the net disposal proceeds and the carrying amount is recognised in profit or loss in the period in which the item is derecognised.

##### (ii) Reclassification to/from investment properties

When an item of property, plant and equipment is transferred to investment properties following a change in its use, any difference arising at the date of transfer between the carrying amount of the item immediately prior to transfer and its fair value is recognised directly in equity as a revaluation of property, plant and equipment. However, if a fair value gain reverses a previous impairment loss, the gain is recognised in profit or loss. Upon disposal of investment properties, any surplus previously recorded in equity is transferred to retained earnings; the transfer is not made through profit or loss.

When the use of a property changes such that it is reclassified as property, plant and equipment or inventories, its fair value at the date of reclassification becomes its cost for subsequent accounting.



## Notes to the Financial Statements

### 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### (g) Concession arrangements

Where the Group performs more than one service (i.e. construction contract and maintenance services) under a single contract or arrangement, the consideration receivable is allocated by reference to the relative fair values of the services delivered, when the amounts are separately identifiable. The accounting policies for the construction contract and maintenance services are explained in Note 2(s).

#### Concession asset/(liability)

Concession asset/(liability) is amortised subsequent to initial recognition on a straight-line basis over the remaining tenure of the concession arrangements.

#### (h) Goodwill

Goodwill arises on business combination is measured at cost less any accumulated impairment losses.

Goodwill is not amortised but is tested for impairment annually and whenever there is an indication that they may be impaired.

#### (i) Leases

##### (i) Definition of leases

A contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- the contract involves the use of an identified asset - this may be specified explicitly or implicitly and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- the customer has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the customer has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used.

In rare cases where the decision about how and for what purpose the asset is used is predetermined, the customer has the right to direct the use of the asset if either the customer has the right to operate the asset; or the customer designed the asset in a way that predetermines how and for what purpose it will be used.

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease and non-lease component on the basis of their relative stand-alone prices. However, for leases of properties in which the Group is a lessee, it has elected not to separate non-lease components and will instead account for the lease and non-lease components as a single lease component.

## Notes to the Financial Statements

### 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### (i) Leases (continued)

##### (ii) Recognition and initial measurement

##### (a) As a lessee

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the respective Group entities' incremental borrowing rate. Generally, the Group entities use their incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments less any incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee;
- the exercise price under a purchase option that the Group is reasonably certain to exercise; and
- penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The Group excludes variable lease payments that linked to future performance or usage of the underlying asset from the lease liability. Instead, these payments are recognised in profit or loss in the period in which the performance or use occurs.

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

##### (b) As a lessor

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease.

If an arrangement contains lease and non-lease components, the Group applies MFRS 15 to allocate the consideration in the contract based on the stand-alone selling prices.

The Group recognises assets held under a finance lease in its statement of financial position and presents them as a receivable at an amount equal to the net investment in the lease. The Group uses the interest rate implicit in the lease to measure the net investment in the lease.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. It assesses the lease classification of a sublease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sublease as an operating lease.

## Notes to the Financial Statements

### 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### (i) Leases (continued)

##### (iii) Subsequent measurement

##### (a) As a lessee

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a revision of in-substance fixed lease payments, or if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

##### (b) As a lessor

The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of "revenue".

The Group recognises finance income over the lease term, based on a pattern reflecting a constant periodic rate of return on the Group's net investment in the lease. The Group aims to allocate finance income over the lease term on a systematic and rational basis. The Group applies the lease payments relating to the period against the gross investment in the lease to reduce both the principal and the unearned finance income. The net investment in the lease is subject to impairment requirements in MFRS 9, Financial Instruments (see Note 2(o)(i)).

#### (j) Inventories

Inventories other than agriculture produce are measured at the lower of cost and net realisable value.

The cost of inventories is measured based on weighted average method, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

#### (k) Fresh fruit bunches

Fresh fruit bunches, which have yet to be harvested, are measured at fair value less costs to sell.

#### (l) Contract assets/Contract liabilities

A contract asset is recognised when the Group's right to consideration is conditional on something other than the passage of time. A contract asset is subject to impairment in accordance to MFRS 9, Financial Instruments (see Note 2(o)(i)).

A contract liability is stated at cost and represents the obligation of the Group to transfer goods or services to a customer for which consideration has been received (or the amount is due) from the customers.

## Notes to the Financial Statements

### 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### (m) Contract cost

##### (i) Incremental cost of obtaining a contract

The Group recognises incremental costs of obtaining contracts when the Group expects to recover these costs.

##### (ii) Costs to fulfil a contract

The Group recognises a contract cost that relate directly to a contract or to an anticipated contract as an asset when the cost generates or enhances resources of the Group, will be used in satisfying performance obligations in the future and it is expected to be recovered.

These contract costs are initially measured at cost and amortised on a systematic basis that is consistent with the pattern of revenue recognition to which the asset relates. An impairment loss is recognised in the profit and loss when the carrying amount of the contract cost exceeds the expected revenue less expected cost that will be incurred. Where the impairment condition no longer exists or has improved, the impairment loss is reversed to the extent that the carrying amount of the contract cost does not exceed the amount that would have been recognised had there been no impairment loss recognised previously.

#### (n) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, balances and deposits with banks and highly liquid investments which have an insignificant risk of changes in value with original maturities of three months or less, and are used by the Group and the Company in the management of their short-term commitments. For the purpose of the statement of cash flows, cash and cash equivalents are presented net of bank overdrafts and pledged deposits.

#### (o) Impairment

##### (i) Financial assets

The Group and the Company recognise loss allowances for expected credit losses on financial assets measured at amortised cost, debt investments measured at fair value through other comprehensive income, contract assets and lease receivables. Expected credit losses are a probability-weighted estimate of credit losses.

The Group and the Company measure loss allowances at an amount equal to lifetime expected credit loss, except for debt securities that are determined to have low credit risk at the reporting date, cash and bank balance and other debt securities for which credit risk has not increased significantly since initial recognition, which are measured at 12-month expected credit loss. Loss allowances for trade receivables, contract assets and lease receivables are always measured at an amount equal to lifetime expected credit loss.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit loss, the Group and the Company consider reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information, where available.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of the asset, while 12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within the 12 months after the reporting date. The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group and the Company are exposed to credit risk.

The Group and the Company estimate the expected credit losses on trade receivables using a provision matrix with reference to historical credit loss experience.



## Notes to the Financial Statements

### 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### (o) Impairment (continued)

##### (i) Financial assets (continued)

An impairment loss in respect of financial assets measured at amortised cost is recognised in profit or loss and the carrying amount of the asset is reduced through the use of an allowance account.

An impairment loss in respect of debt investments measured at fair value through other comprehensive income is recognised in profit or loss and the allowance account is recognised in other comprehensive income.

At each reporting date, the Group and the Company assess whether financial assets carried at amortised cost and debt securities at fair value through other comprehensive income are credit-impaired. A financial asset is credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

The gross carrying amount of a financial asset is written off (either partially or full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group or the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's or the Company's procedures for recovery amounts due.

##### (ii) Other assets

The carrying amounts of other assets (except for inventories, contract assets, investment properties measured at fair value, deferred tax asset and non-current assets (or disposal groups) classified as held for sale) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill, the recoverable amount is estimated each period at the same time.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Subject to an operating segment ceiling test, for the purpose of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to group of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value-in-use and its fair value less costs of disposal. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset or its related CGU exceeds its estimated recoverable amount.

An impairment loss shall be recognised immediately in profit or loss, unless the asset is carried at revalued amount. Any impairment loss of a revalued asset shall be treated as a revaluation decrease. An impairment loss on a non-revalued asset is recognised in profit or loss. However, an impairment loss on a revalued asset is recognised in other comprehensive income to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same asset. Such an impairment loss on a revalued asset reduces the revaluation surplus for that asset.

Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (group of CGUs) and then to reduce the carrying amounts of the other assets in the CGU (groups of CGUs) on a pro rata basis.

## Notes to the Financial Statements

### 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### (o) Impairment (continued)

##### (ii) Other assets (continued)

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at the end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognised. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Reversals of impairment losses are credited to profit or loss in the financial year in which the reversals are recognised.

#### (p) Equity instruments

Instruments classified as equity are measured at cost on initial recognition and are not remeasured subsequently.

##### (i) Issue expenses

Costs directly attributable to the issue of instruments classified as equity are recognised as a deduction from equity.

##### (ii) Ordinary shares

Ordinary shares are classified as equity and are stated at cost.

##### (iii) Repurchase, disposal and reissue of share capital (treasury shares)

When share capital recognised as equity is repurchased, the amount of the consideration paid, including directly attributable costs, net of any tax effects, is recognised as a deduction from equity. Repurchased shares that are not subsequently cancelled are classified as treasury shares in the statement of changes in equity.

Where treasury shares are sold or reissued subsequently, the difference between the sales consideration net of directly attributable costs and the carrying amount of the treasury shares is recognised in equity.

#### (q) Employee benefits

##### (i) Short-term employee benefits

Short-term employee benefit obligations in respect of salaries, annual bonuses, paid annual leave and sick leave are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group and the Company have a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

##### (ii) Defined contribution plans

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations. The Group and the Company make contributions to the Employees' Provident Fund in Malaysia, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

##### (iii) Termination benefits

Termination benefits are expensed at the earlier of when the Group and the Company can no longer withdraw the offer of those benefits and when the Group and the Company recognises costs for a restructuring.

## Notes to the Financial Statements

### 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### (r) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

#### (s) Revenue and other income

##### (i) Revenue

Revenue is measured based on the consideration specified in a contract with a customer in exchange for transferring goods or services to a customer, excluding amounts collected on behalf of third parties. The Group recognises revenue when (or as) it transfers control over a product or service to customer. An asset is transferred when (or as) the customer obtains control of the asset.

The Group transfers control of a good or service at a point in time unless one of the following overtime criteria is met:

- (a) the customer simultaneously receives and consumes the benefits provided as the Group performs;
- (b) the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- (c) the Group's performance does not create an asset with an alternative use and the Group has an enforceable right to payment for performance completed to date.

##### (ii) Dividend income

Dividend income is recognised in profit or loss on the date that the Company's right to receive payment is established, which in the case of quoted securities is the ex-dividend date.

##### (iii) Finance Income

Finance income is recognised as it accrues using the effective interest method in profit or loss except for interest income arising from temporary investment of borrowings taken specifically for the purpose of obtaining a qualifying asset which is accounted for in accordance with the accounting policy on borrowing costs.

##### (iv) Rental income

Rental income is accounted for on a straight-line basis over the lease terms. The aggregate costs of incentives provided to lessees are recognised as a reduction of rental income over the lease term on a straight-line basis.

#### (t) Borrowing costs

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

## Notes to the Financial Statements

### 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### (t) Borrowing costs (continued)

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or completed.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

#### (u) Income tax

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous financial years.

Deferred tax is recognised using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities in the statement of financial position and their tax bases. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting period.

Where investment properties are carried at their fair value in accordance with the accounting policy set out in Note 2(f), the amount of deferred tax recognised is measured using the tax rates that would apply on sale of those assets at their carrying value at the reporting date unless the property is depreciable and is held with the objective to consume substantially all of the economic benefits embodied in the property over time, rather than through sale. In all other cases, the amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the reporting date. Deferred tax assets and liabilities are not discounted.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at the end of each reporting period and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Unutilised reinvestment allowance and investment tax allowance, being tax incentives that is not a tax base of an asset, is recognised as a deferred tax asset to the extent that it is probable that the future taxable profits will be available against which the unutilised tax incentive can be utilised.



## Notes to the Financial Statements

### 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### (v) Earnings per ordinary share

The Group presents basic and diluted earnings per share data for its ordinary shares ("EPS").

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the financial year, adjusted for own shares held.

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding adjusted for own shares held for the effects of all dilutive potential ordinary shares.

#### (w) Operating segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. Operating segment results are reviewed regularly by the Board of Directors of the Group, to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

#### (x) Contingencies

##### (i) Contingent liabilities

Where it is not probable that an outflow of economic benefit will be required, or the amount cannot be estimated reliably, the obligation is not recognised in the statements of financial position and is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

##### (ii) Contingent assets

When an inflow of economic benefit of an asset is probable where it arises from past events and where existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity, the asset is not recognised in the statements of financial position but is being disclosed as a contingent asset. When the inflow of economic benefit is virtually certain, then the related asset is recognised.

#### (y) Fair value measurements

Fair value of an asset or a liability, except for lease transactions, is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

For non-financial asset, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

## Notes to the Financial Statements

### 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### (y) Fair value measurements (continued)

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair value is categorised into different levels in a fair value hierarchy based on the input used in the valuation techniques as follows:

Level 1:	Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.
Level 2:	Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3:	Unobservable inputs for the asset or liability.

The Group recognises transfers between levels of the fair value hierarchy as of the date of the event or change in circumstances that caused the transfers.

### 3. AWARD OF CONCESSIONS

#### (a) Concession Agreement UiTM-Zone 1 Phase 2, Puncak Alam Campus (“CA-Z1P2”)

The Company’s sub-subsidiary, TRIplc Ventures Sdn. Bhd. (“TVSB”), entered into the CA-Z1P2 Concession Agreement with the Government of Malaysia (“Government”), represented by the Ministry of Higher Education (“MOHE”) and University Teknologi MARA (“UiTM”) in 2010. Under the CA-Z1P2, TVSB was granted a 23-year concession to undertake the planning, design, financing, development, construction, landscaping, equipping, installation, completion, testing, commissioning and maintenance of specified facilities and infrastructure for Z1P2 of UiTM Puncak Alam Campus. The specified facilities and infrastructure include academic facilities for three faculties, namely the Faculty of Accountancy, Faculty of Business Administration and Faculty of Hotel and Tourism Management, common facilities, student accommodation, multipurpose hall, maintenance centre, prayer hall, library, student centre, cafeteria and health centre.

The construction works for Z1P2 of UiTM Puncak Alam Campus commenced in 2011 and was completed in April 2014.

The Group, commenced the facilities management services for a period of 20 years from 2014 to 2034.

#### (b) Concession Agreement UiTM-Zone 1 Phase 3, Puncak Alam Campus (“CA-Z1P3”)

The Company’s sub-subsidiary, TRIplc Medical Sdn. Bhd. (“TMSB”) was awarded a concession to undertake the planning, finance, design, development, construction, landscaping, equipping, installation, completion, testing and commissioning of the facilities and infrastructure in relation to the Teaching Hospital and Medical Academic Centre at UiTM Puncak Alam Campus and thereafter, to carry out the asset management services of the facilities and infrastructure in accordance with the terms and conditions of the Concession Agreement dated 18 February 2016 entered into between the Government, MOHE, UiTM and TMSB.

The concession is for a period of 25 years and 10 months starting from 11 April 2017; 3 years and 10 months for construction and 22 years for asset management services.

TMSB was granted an extension of time (“EoT No.1”) from 10 April 2020 to 10 October 2020 and a further extension of time (“EoT No.2”) till 1 February 2021 to complete the CA-Z1P3 construction works. TMSB completed the construction works on time and successfully handed over on 1 February 2021 upon receipt of the Certificate of Acceptance (“COA”) by UiTM. Accordingly, the Asset Management Services Period and the payment of the Availability Charges (for the availability of the Facilities and Infrastructure) and Asset Management Services Charges (for the provision of maintenance services and asset replacement programme) of the Concession Agreement had commenced on 1 February 2021 over the next twenty-two (22) years.

## Notes to the Financial Statements

### 4. PROPERTY, PLANT AND EQUIPMENT

	Freehold land RM'000	Buildings RM'000	Plantation buildings RM'000	Infrastructure RM'000	Plant and machinery RM'000
	← At valuation →				
<b>Group</b>					
<b>Cost/Valuation</b>					
At 1 January 2021	2,550	41,300	11,919	104,705	2,412
Additions	-	-	-	1,322	36
Reclassification	-	-	1,166	660	-
Disposal	-	-	-	-	(1)
Written off	-	-	-	-	-
Transfer to investment properties (Note 5)	-	(13,700)	-	-	-
At 31 December 2021	<b>2,550</b>	<b>27,600</b>	<b>13,085</b>	<b>106,687</b>	<b>2,447</b>
Additions	-	-	<b>2,600</b>	<b>292</b>	<b>101</b>
Reclassification	-	-	-	-	-
Disposal	-	-	-	-	-
At 31 December 2022	<b>2,550</b>	<b>27,600</b>	<b>15,685</b>	<b>106,979</b>	<b>2,548</b>
<b>Accumulated depreciation</b>					
At 1 January 2021	-	-	1,172	7,014	1,161
Charge for the year	-	681	254	2,184	284
Reclassification	-	-	-	-	-
Disposal	-	-	-	-	-
Written off	-	-	-	-	-
At 31 December 2021	-	<b>681</b>	<b>1,426</b>	<b>9,198</b>	<b>1,445</b>
Charge for the year	-	<b>681</b>	<b>282</b>	<b>2,249</b>	<b>230</b>
Reclassification	-	-	-	-	-
Disposal	-	-	-	-	-
At 31 December 2022	-	<b>1,362</b>	<b>1,708</b>	<b>11,447</b>	<b>1,675</b>
<b>Carrying amounts</b>					
At 31 December 2021	2,550	26,919	11,659	97,489	1,002
At 31 December 2022	<b>2,550</b>	<b>26,238</b>	<b>13,977</b>	<b>95,532</b>	<b>873</b>

## Notes to the Financial Statements

Computers, software and equipment RM'000	Furniture and fittings RM'000	Motor vehicles RM'000	Renovations RM'000	Work in progress RM'000	Right-of- use assets RM'000	Total RM'000
At cost						
26,975	6,061	40,721	18,547	1,594	371,550	628,334
2,199	94	1,276	-	1,641	-	6,568
-	-	737	-	(1,826)	(737)	-
-	-	(2,578)	-	-	-	(2,579)
-	-	(13)	-	-	-	(13)
-	-	-	-	-	(10,040)	(23,740)
<b>29,174</b>	<b>6,155</b>	<b>40,143</b>	<b>18,547</b>	<b>1,409</b>	<b>360,773</b>	<b>608,570</b>
<b>938</b>	<b>483</b>	<b>2,533</b>	<b>717</b>	<b>1,072</b>	<b>1,248</b>	<b>9,984</b>
<b>-</b>	<b>-</b>	<b>4,405</b>	<b>776</b>	<b>(776)</b>	<b>(4,405)</b>	<b>-</b>
<b>(30)</b>	<b>(10)</b>	<b>(2,469)</b>	<b>-</b>	<b>-</b>	<b>(623)</b>	<b>(3,132)</b>
<b>30,082</b>	<b>6,628</b>	<b>44,612</b>	<b>20,040</b>	<b>1,705</b>	<b>356,993</b>	<b>615,422</b>
26,139	5,772	35,710	16,768	-	23,630	117,366
900	176	2,582	282	-	8,198	15,541
-	-	737	-	-	(737)	-
-	-	(2,340)	-	-	-	(2,340)
-	-	(13)	-	-	-	(13)
<b>27,039</b>	<b>5,948</b>	<b>36,676</b>	<b>17,050</b>	<b>-</b>	<b>31,091</b>	<b>130,554</b>
<b>890</b>	<b>194</b>	<b>5,320</b>	<b>332</b>	<b>-</b>	<b>5,113</b>	<b>15,291</b>
<b>-</b>	<b>-</b>	<b>3,070</b>	<b>-</b>	<b>-</b>	<b>(3,070)</b>	<b>-</b>
<b>(30)</b>	<b>(2)</b>	<b>(2,383)</b>	<b>-</b>	<b>-</b>	<b>(318)</b>	<b>(2,733)</b>
<b>27,899</b>	<b>6,140</b>	<b>42,683</b>	<b>17,382</b>	<b>-</b>	<b>32,816</b>	<b>143,112</b>
2,135	207	3,467	1,497	1,409	329,682	478,016
<b>2,183</b>	<b>488</b>	<b>1,929</b>	<b>2,658</b>	<b>1,705</b>	<b>324,177</b>	<b>472,310</b>



## Notes to the Financial Statements

### 4. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Computers, software and equipment RM'000	Renovations RM'000	Total RM'000
	← At cost →		
<b>Company</b>			
<b>Cost</b>			
At 1 January 2021	876	1,928	2,804
Additions	23	-	23
At 31 December 2021	<b>899</b>	<b>1,928</b>	<b>2,827</b>
Additions	<b>5</b>	<b>-</b>	<b>5</b>
At 31 December 2022	<b>904</b>	<b>1,928</b>	<b>2,832</b>
<b>Depreciation</b>			
At 1 January 2021	875	1,928	2,803
Depreciation for the year	6	-	6
At 31 December 2021	<b>881</b>	<b>1,928</b>	<b>2,809</b>
Depreciation for the year	<b>8</b>	<b>-</b>	<b>8</b>
At 31 December 2022	<b>889</b>	<b>1,928</b>	<b>2,817</b>
<b>Carrying amounts</b>			
At 31 December 2021	18	-	18
At 31 December 2022	<b>15</b>	<b>-</b>	<b>15</b>

## Notes to the Financial Statements

## 4. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

## 4.1 Right-of-use assets

	Long-term leasehold land RM'000	Plantation land RM'000	Leasehold improvement RM'000	Plant and machinery RM'000	Computers, software and equipment RM'000	Motor vehicle RM'000	Total RM'000
	At valuation ←			At cost →			
<b>Group</b>							
<b>Cost/Valuation</b>							
At 1 January 2021	49,041	293,144	5,160	1,740	-	22,465	371,550
Reclassification	-	-	-	-	-	(737)	(737)
Transfer to investment properties	(10,040)	-	-	-	-	-	(10,040)
At 31 December 2021	<b>39,001</b>	<b>293,144</b>	<b>5,160</b>	<b>1,740</b>	<b>-</b>	<b>21,728</b>	<b>360,773</b>
Additions	-	-	-	-	<b>545</b>	<b>703</b>	<b>1,248</b>
Reclassification	-	-	-	-	-	<b>(4,405)</b>	<b>(4,405)</b>
Disposal	-	<b>(265)</b>	-	-	-	<b>(358)</b>	<b>(623)</b>
At 31 December 2022	<b>39,001</b>	<b>292,879</b>	<b>5,160</b>	<b>1,740</b>	<b>545</b>	<b>17,668</b>	<b>356,993</b>
<b>Accumulated depreciation</b>							
At 1 January 2021	-	11,970	2,062	174	-	9,424	23,630
Charge for the year	414	3,448	502	174	-	3,660	8,198
Reclassification	-	-	-	-	-	(737)	(737)
At 31 December 2021	<b>414</b>	<b>15,418</b>	<b>2,564</b>	<b>348</b>	<b>-</b>	<b>12,347</b>	<b>31,091</b>
Charge for the year	<b>414</b>	<b>3,448</b>	<b>502</b>	<b>229</b>	<b>32</b>	<b>488</b>	<b>5,113</b>
Reclassification	-	-	-	-	-	<b>(3,070)</b>	<b>(3,070)</b>
Disposal	-	-	-	-	-	<b>(318)</b>	<b>(318)</b>
At 31 December 2022	<b>828</b>	<b>18,866</b>	<b>3,066</b>	<b>577</b>	<b>32</b>	<b>9,447</b>	<b>32,816</b>
<b>Carrying amounts</b>							
At 31 December 2021	38,587	277,726	2,596	1,392	-	9,381	329,682
At 31 December 2022	<b>38,173</b>	<b>274,013</b>	<b>2,094</b>	<b>1,163</b>	<b>513</b>	<b>8,221</b>	<b>324,177</b>

## 4.2 Breakdown of depreciation charge for the year are as follows:

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Recognised in profit or loss	13,626	13,761	8	6
Capitalised in bearer biological assets (Note 6.1)	1,665	1,780	-	-
Depreciation charged for the year	<b>15,291</b>	<b>15,541</b>	<b>8</b>	<b>6</b>

## Notes to the Financial Statements

### 4. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

#### 4.3 Revaluation of freehold land, leasehold land and buildings

In the previous financial year, the freehold land, leasehold land and buildings were revalued to fair values. Their fair values were arrived at by reference to market evidence of transaction prices for similar properties and were performed by registered independent valuers having appropriate recognised professional qualifications and recent experience in the location and category of the properties being valued. The fair value measurement of the freehold land, leasehold land and buildings was based on the highest and best use, which did not differ from their actual use.

#### Valuation processes applied by the Group for Level 3 fair value

The following table showed the valuation technique used in the determination of fair values classified within Level 3, as well as the significant unobservable inputs used in the valuation model.

Description of valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
<b>Comparison approach:</b>		
The method involved determining the market value by directly comparing the property under valuation with similar properties, which have been sold, and estimating the fair value from these transactions. This method was based on the principle that the market value of a property would be in line with the market values of similar properties in the same locality as the subject property, the values being indicated through sales transactions of these properties. In arriving at the valuation, the independent professional valuer had made adjustment for factors, which would affect the market value of the investment property including but not limited to location, size, facilities available, market conditions and other factors in order to arrive at a common basis for comparison.	Adjusted market value per square foot.	The estimated fair value would increase/(decrease) if adjusted market value per square foot were higher/(lower).

If the leasehold land and buildings were measured using the cost model, the carrying amounts would have been as follows:

	Group	
	2022 RM'000	2021 RM'000
<b>Buildings at 31 December:</b>		
Cost	28,552	28,552
Accumulated depreciation	(5,455)	(5,146)
Carrying amount	23,097	23,406
<b>Right-of-use asset</b>		
<b>Leasehold land at 31 December:</b>		
Cost	12,394	12,394
Accumulated depreciation	(2,432)	(2,293)
Carrying amount	9,962	10,101
	33,059	33,507

## Notes to the Financial Statements

### 4. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

#### 4.4 Security

- (a) As at the end of the reporting period, the carrying amount of the plantation land, plantation buildings and infrastructure of the Group of RM383,522,000 (2021: RM386,874,000) are charged to secure the banking facilities granted to a subsidiary of the Company as disclosed in Notes 18.1.1(a) and 18.4(b)(i) to the financial statements.
- (b) As at the end of the reporting period, the carrying amount of the leasehold land and buildings of the Group of RM62,889,000 (2021: RM63,945,000) has been charged to secure the banking facility granted to a subsidiary of the Company as disclosed in Note 18.1.2(b) to the financial statements.

### 5. INVESTMENT PROPERTIES

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
<b>At 1 January</b>	<b>836,380</b>	818,925	<b>266,200</b>	273,200
Fair value gain recognised during the year	<b>910</b>	700	<b>4,600</b>	-
Additions during the year	<b>11,554</b>	-	-	-
Disposal during the year	-	(7,000)	-	(7,000)
Subsequent expenditure incurred	-	15	-	-
Transfer from property, plant and equipment (Note 4)	-	23,740	-	-
<b>At 31 December</b>	<b>848,844</b>	836,380	<b>270,800</b>	266,200

Included in the above are:

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
<b>At fair value</b>				
Freehold land	<b>4,825</b>	4,825	-	-
Buildings	<b>39,470</b>	39,470	-	-
Long-term leasehold land (Right-of-use assets)	<b>804,549</b>	792,085	<b>270,800</b>	266,200
	<b>848,844</b>	836,380	<b>270,800</b>	266,200



## Notes to the Financial Statements

### 5. INVESTMENT PROPERTIES (CONTINUED)

#### 5.1 Fair value of investment properties

The fair values of the investment properties during the current and previous financial year are arrived at by reference to market evidence of transaction prices for similar properties and are performed by registered independent valuers having appropriate recognised professional qualifications and recent experience in the location and category of the properties being valued. The fair value measurement of the investment properties is based on the highest and best use, which does not differ from their actual use.

The following table shows the valuation technique used in the determination of fair values, classified within Level 3, as well as the significant unobservable inputs used in the valuation model in the current and previous financial year.

Description of valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
<b>Comparison approach:</b>		
The method involves determining the market value by directly comparing the property under valuation with similar properties which have been sold, and estimating the fair value from these transactions. This method is based on the principle that the market value of a property would be in line with the market values of similar properties in the same locality as the subject property, the values being indicated through sales transactions of these properties. In arriving at the valuation, the independent professional valuer has made adjustment for factors, which would affect the market value of the investment property including but not limited to location, size, facilities available, market conditions and other factors in order to arrive at a common basis for comparison.	Adjusted market value per square foot.	The estimated fair value would increase/(decrease) if adjusted market value per square foot were higher/(lower).

#### 5.2 The following are recognised in profit or loss in respect of investment properties:

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Rental income	897	718	-	-
Direct operating expenses				
- income generating investment properties	(1,198)	(1,435)	-	-
- non-income generating investment properties	(1,186)	(663)	(307)	(287)

#### 5.3 Security

- As at the end of the reporting period, certain parcels of leasehold land of a wholly-owned sub-subsidiary of the Company, Suasa Integrasi Sdn. Bhd. ("SISB"), with a fair value of RM26,860,000 (2021: RM25,770,000) have been charged as security for bank overdraft facility granted to the Group as disclosed in Note 18.5(a)(i) to the financial statements.
- As at the end of the reporting period, certain parcels of leasehold land of a wholly-owned sub-subsidiary of the Company, Zuriat Watan Sdn. Bhd. ("ZWSB") with a fair value of RM146,650,000 (2021: RM153,900,000) have been charged as security for term loan facility granted to the Group as disclosed in Notes 18.6(ii) and 18.7(b)(i) to the financial statements.

## Notes to the Financial Statements

## 6. BEARER BIOLOGICAL ASSETS

	Note	Matured area RM'000	Oil palm Immature area RM'000	Total RM'000
<b>Group</b>				
<b>Cost</b>				
At 1 January 2021		300,475	35,551	336,026
Reclassification		2,425	(2,425)	-
Additions	6.1	-	6,128	6,128
At 31 December 2021		<b>302,900</b>	<b>39,254</b>	<b>342,154</b>
Reclassification		<b>7,220</b>	<b>(7,220)</b>	<b>-</b>
Additions	6.1	-	<b>7,911</b>	<b>7,911</b>
At 31 December 2022		<b>310,120</b>	<b>39,945</b>	<b>350,065</b>
<b>Accumulated amortisation</b>				
At 1 January 2021		23,397	-	23,397
Charge for the year		9,046	-	9,046
At 31 December 2021		<b>32,443</b>	-	<b>32,443</b>
Charge for the year		<b>6,175</b>	-	<b>6,175</b>
At 31 December 2022		<b>38,618</b>	-	<b>38,618</b>
<b>Net book value</b>				
At 31 December 2021		270,457	39,254	309,711
At 31 December 2022		<b>271,502</b>	<b>39,945</b>	<b>311,447</b>

## 6.1 Included in the additions during the year are as follows:

	Note	Group	
		2022 RM'000	2021 RM'000
Finance cost *	23	<b>1,757</b>	1,704
Depreciation of property, plant and equipment	4.2	<b>1,665</b>	1,780

\* Finance cost is capitalised at the borrowing cost rates range within 4.75% to 5.80% (2021: 4.25% to 4.75%) per annum.

## 6.2 Risk management objectives, policies and processes for managing the bearer biological assets

The Group has obtained borrowings to finance the development expenditures for bearer biological assets (see Note 18.1.1). The bearer biological assets comprise oil palm plants which take three to four years to mature and bear fruits, upon which the bearer biological assets will begin to generate cash inflows from the sale of fresh fruit bunches. The repayments of these borrowings take into consideration the timing of cash inflows to be generated by these bearer biological assets.

The Group is also exposed to risk of market price changes of fresh fruit bunches due to supply and demand changes. The market price risk is monitored by the Group on an ongoing basis.

## 6.3 Security

As at the end of the reporting period, the carrying amount of the bearer biological assets of RM311,447,000 (2021: RM309,711,000) is charged to secure the banking facilities granted to a sub-subsidiary of the Company as disclosed in Notes 18.1.1 (a) and 18.4 (b)(i) to the financial statements.

## Notes to the Financial Statements

### 7. CONCESSION ASSET/(LIABILITY)

	Note	Group	
		2022 RM'000	2021 RM'000
Concession asset	7.1	4,567	4,967
Concession liability	7.2	(96,073)	(100,779)

#### 7.1 Concession asset

The concession asset represents the fair value adjustment on CA-Z1P2 concession pursuant to the acquisition of TRIPLE Berhad and its subsidiaries. During the current financial year, a total of RM400,000 (2021: RM400,000) was amortised to profit or loss of the Group.

#### 7.2 Concession liability

The concession liability represents the fair value adjustment on CA-Z1P3 concession pursuant to the acquisition of TRIPLE Berhad and its subsidiaries. During the current financial year, a total of RM4,705,000 (2021: RM4,705,000) was amortised to profit or loss of the Group.

### 8. INVESTMENT IN SUBSIDIARIES

	Company	
	2022 RM'000	2021 RM'000
<b>Cost</b>		
Unquoted shares	1,210,001	1,210,001
Less: Accumulated impairment losses	(319,153)	(319,153)
	890,848	890,848

Details of the subsidiaries are as follows:

		Effective ownership interest and voting interest	
Name	Principal activities	2022 %	2021 %
Principal place of business/ Incorporated in Malaysia			
PNMSSB	Provision of management, advisory and consultancy services	100	100
PNCBSB	Construction work, general contracts and related activities	100	100
POG	Investment holding and provision of services for offshore logistics and marine management	100	100

## Notes to the Financial Statements

## 8. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Details of the subsidiaries are as follows (continued):

		Effective ownership interest and voting interest	
Name	Principal activities	2022 %	2021 %
Principal place of business/ Incorporated in Malaysia (continued)			
Puncak Seri (M) Sdn. Bhd. *	Dormant	100	100
MESB	Investment holding and oil palm plantation business	100	100
TRIpIc	Investment holding and engaged in property construction and related activities	100	100
PRCSB *	Research and development and technology development for water, wastewater and environment sectors	100	100
Magnum Nature Sdn. Bhd. *	Dormant	100	100
Ideal Water Resources Sdn. Bhd. *	Dormant	100	100
Unggul Raya (M) Sdn. Bhd. *	Dormant	100	100
Aspen Streams Sdn. Bhd.	Dormant	60	60
Puncak Communication Sdn. Bhd. *	Mobile dealer, telecommunication and other related services	100	100
Puncak Patem Konsortium Sdn. Bhd.	Development, construction and management of water supply system, water treatment and other related services	60	60
Principal place of business/ Incorporated in Singapore			
SINO *	Investment holding in water and wastewater projects	98.65	98.65
Principle place of business/ Incorporated in India			
PNIPPL *	Struck off on 28 January 2022 (Note 8.2)	-	100
Principal place of business/ Incorporated in Hong Kong			
Jadekind Ltd *	Development, manufacturing and distribution of supplement product in PRC	50^	50^



## Notes to the Financial Statements

### 8. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Details of the subsidiaries are as follows (continued):

		Effective ownership interest and voting interest	
Name	Principal activities	2022 %	2021 %
Principal place of business/ Incorporated in Malaysia			
Subsidiaries of TRIplc			
TRIplc Medical Sdn. Bhd.	Concession relates to design, development, construction and completion of the facilities and infrastructure and asset management services activities	100	100
TRIplc Ventures Sdn. Bhd.	Concession relates to design, development, construction and completion of the facilities and infrastructure and maintenance works activities	100	100
TRIplc Resources Sdn. Bhd.	Property construction and related activities	100	100
TRIplc FMS Sdn. Bhd.	Provision of facilities management services and related activities	100	100
Central Challenger (M) Sdn. Bhd.	Property development, provision of project management services and property management	100	100
TRIplc Industries Sdn. Bhd.	Property construction and related activities	100	100
Prinsip Barisan (M) Sdn. Bhd.	Property investment	100	100
Insa Alliance Sdn. Bhd.	Property development and provision of project management services	100	100
Zuriat Watan Sdn. Bhd.	Property development	100	100
Samasys Sdn. Bhd. *	Property development	100	100
Layar Kekal (M) Sdn. Bhd. *	Property development	100	100
Tirai Gemilang Sdn. Bhd. *	Property development	100	100
Usahasewa Sdn. Bhd. *	Property development	100	100
Suasa Integrasi (M) Sdn. Bhd. *	Property development	100	100
PBSB	To raise funds and/or to issue debentures and/or Islamic securities for and in connection with TRIplc Group	100	100

## Notes to the Financial Statements

### 8. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Details of the subsidiaries are as follows (continued):

		Effective ownership interest and voting interest	
Name	Principal activities	2022 %	2021 %
Principal place of business/ Incorporated in Malaysia (continued)			
Subsidiaries of POG			
GOM Resources	Ceased operations	100	100
KGL	Ceased operations	100	100
Subsidiaries of MESB			
DSSB	Investment holding and oil palm plantation business	90	90
Subsidiary of DSSB			
Danum Sinar	Oil palm plantation business	100	100
Subsidiary of Danum Sinar			
Aneka Suriamas Sdn. Bhd. *	Operate the grocery stores in the plantation estates	100	100

\* Audited by firms other than Grant Thornton Malaysia PLT.

^ Although the Group owns only half of the ownership interest in Jadekind Ltd, the Directors have determined that the Group controls this entity.

#### 8.1 Increase in investment of subsidiaries

In the previous financial year, the Company:

- acquired 150,000 ordinary shares, representing 60% equity interest in Puncak Patem Konsortium Sdn. Bhd. ("PPKSB") for a total consideration of RM150,000.
- subscribed Musharakah Redeemable Preference Shares of RM4,500,000 ("Preference B") in MESB with cash payment of RM4,500,000. The additional capital injection into MESB was used by MESB for the subscription of Class A Musharakah Cumulative Convertible Redeemable Preference Shares ("Musharakah CCRPS-A") of RM4,500,000 ("Preference A") in DSSB. In turn, DSSB subscribed Musharakah Redeemable Preference Shares ("Preference B") of RM4,500,000 in Danum Sinar.

#### 8.2 Striking off of a subsidiary

Puncak Niaga Infrastructures & Projects Private Limited ("PNIPPL"), a wholly-owned subsidiary of the Company, had on 28 July 2021 submitted an application to strike off the name of PNIPPL from the Register of Companies in India pursuant to Section 248 of the Indian Companies Act, 2013 ("Striking Off").

On 28 January 2022, PNIPPL received the Notice of Striking Off and Dissolution pursuant to Sub-Section (5) of Section 248 of the Indian Companies Act, 2013 dated 28 January 2022 from the Register of Companies in India for the Striking Off of PNIPPL. Accordingly, PNIPPL ceased to be a subsidiary of the Company on 28 January 2022.

## Notes to the Financial Statements

### 8. INVESTMENT IN SUBSIDIARIES (CONTINUED)

#### 8.3 Impairment loss on investment in subsidiaries

In the previous financial year, at Company level, the impairment loss amounting to RM996,000 was mainly attributable to a subsidiary that is in the other segment.

The impairment loss recognised in the investment in subsidiaries was due to irrecoverable cost of the investment and the movement during the years are as follows:

	Company	
	2022 RM'000	2021 RM'000
Balance at 1 January	319,153	318,157
Net remeasurement of loss allowance	-	996
Balance at 31 December	319,153	319,153

#### 8.4 Non-controlling interests in subsidiaries

The Group's subsidiaries that have material NCI are as follows:

	2022		
	DSSB RM'000	Other subsidiaries with immaterial NCI RM'000	Total RM'000
NCI percentage of ownership interest and voting interest	10%		
Carrying amount of NCI	28,935	(4,331)	24,604
Loss allocated to NCI	(3,197)	(134)	(3,331)
<b>Summarised financial information before intra-group elimination</b>			
<b>As at 31 December 2022</b>			
Non-current assets	704,871		
Current assets	22,235		
Non-current liabilities	(271,099)		
Current liabilities	(166,650)		
Net assets	289,357		
<b>Year ended 31 December 2022</b>			
Revenue	41,744		
Loss and comprehensive expense for the year	(31,965)		
Cash flows used in operating activities	(21,650)		
Cash flows used in investing activities	(9,922)		
Cash flows from financing activities	33,883		
Net increase in cash and cash equivalents	2,311		

## Notes to the Financial Statements

## 8. INVESTMENT IN SUBSIDIARIES (CONTINUED)

## 8.4 Non-controlling interests in subsidiaries (continued)

The Group's subsidiaries that have material NCI are as follows (continued):

	2021		
		Other subsidiaries with immaterial	
	DSSB RM'000	NCI RM'000	Total RM'000
NCI percentage of ownership interest and voting interest	10%		
Carrying amount of NCI	32,132	(4,197)	27,935
Loss allocated to NCI	(2,459)	323	(2,136)

**Summarised financial information before intra-group elimination****As at 31 December 2021**

Non-current assets	709,216
Current assets	18,870
Non-current liabilities	(238,808)
Current liabilities	(167,955)
Net assets	321,323

**Year ended 31 December 2021**

Revenue	41,235
Loss and comprehensive expense for the year	(24,589)
Cash flows used in operating activities	(9,981)
Cash flows used in investing activities	(6,354)
Cash flows from financing activities	14,509
Net decrease in cash and cash equivalents	(1,826)

**(a) Increase in share capital of PPKSB**

In the previous financial year, the minority shareholder, Patem Holding Sdn. Bhd. had acquired 100,000 ordinary shares, representing 40% equity interest in PPKSB for a total cash consideration of RM100,000.



## Notes to the Financial Statements

### 9. INVESTMENT IN ASSOCIATE

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Advances to associate	29	26	29	26
Share of post-acquisition reserves	(16)	(14)	-	-
	13	12	29	26

		Effective ownership interest and voting interest	
		2022	2021
Name	Principal activities	%	%
Principal place of business/ Incorporated in Malaysia			
Purnama Persada Sdn. Bhd.*	Dormant	50	50

\* Audited by firms other than Grant Thornton Malaysia PLT.

The summarised financial information of the Group's associate is not presented as it is not material to the Group.

## Notes to the Financial Statements

## 10. DEFERRED TAX ASSETS/(LIABILITIES)

## Recognised deferred tax assets/(liabilities)

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities		Net	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
<b>Group</b>						
Property, plant and equipment	-	-	(86,251)	(86,841)	(86,251)	(86,841)
Investment properties	-	-	(59,852)	(59,895)	(59,852)	(59,895)
Bearer biological assets	-	-	(73,886)	(73,921)	(73,886)	(73,921)
Fresh fruit bunches	-	-	(1,401)	(1,395)	(1,401)	(1,395)
Receivables from concession customer	-	-	(24,675)	(30,685)	(24,675)	(30,685)
Concession asset/(liability)	23,058	24,187	(1,096)	(1,192)	21,962	22,995
Unabsorbed tax losses	27,599	27,599	-	-	27,599	27,599
Unabsorbed capital allowances	54,491	51,132	-	-	54,491	51,132
Unabsorbed agriculture allowances	2,645	4,279	-	-	2,645	4,279
Unabsorbed industrial building allowances	18,841	14,289	-	-	18,841	14,289
Other temporary differences	859	800	-	-	859	800
Net tax assets/(liabilities)	127,493	122,286	(247,161)	(253,929)	(119,668)	(131,643)
<b>Company</b>						
Investment properties	-	-	(20,644)	(20,184)	(20,644)	(20,184)
Net tax liabilities	-	-	(20,644)	(20,184)	(20,644)	(20,184)

## Notes to the Financial Statements

### 10. DEFERRED TAX ASSETS/(LIABILITIES) (CONTINUED)

#### Recognised deferred tax assets/(liabilities) (continued)

Movement in temporary differences:

	As at 1 January 2021 RM'000	Recognised in profit or loss in 2021 (Note 25) RM'000	As at 31 December 2021 RM'000	Recognised in profit or loss in 2022 (Note 25) RM'000	As at 31 December 2022 RM'000
<b>Group</b>					
<b>Deferred tax (liabilities)/assets</b>					
Property, plant and equipment	(92,254)	5,413	(86,841)	590	(86,251)
Investment properties	(53,773)	(6,122)	(59,895)	43	(59,852)
Bearer biological assets	(73,569)	(352)	(73,921)	35	(73,886)
Fresh fruit bunches	(1,332)	(63)	(1,395)	(6)	(1,401)
Receivables from concession customer	(26,003)	(4,682)	(30,685)	6,010	(24,675)
Concession asset/(liability)	24,028	(1,033)	22,995	(1,033)	21,962
Unabsorbed tax losses	19,718	7,881	27,599	-	27,599
Unabsorbed capital allowances	45,827	5,305	51,132	3,359	54,491
Unabsorbed agriculture allowances	6,125	(1,846)	4,279	(1,634)	2,645
Unabsorbed industrial building allowances	-	14,289	14,289	4,552	18,841
Other temporary differences	7,665	(6,865)	800	59	859
	(143,568)	11,925	(131,643)	11,975	(119,668)
<b>Company</b>					
<b>Deferred tax liabilities</b>					
Investment properties	(20,292)	108	(20,184)	(460)	(20,644)

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
<b>Presented after appropriate offsetting as follows:</b>				
Deferred tax assets	45,205	36,598	-	-
Deferred tax liabilities	(164,873)	(168,241)	(20,644)	(20,184)
	(119,668)	(131,643)	(20,644)	(20,184)

## Notes to the Financial Statements

## 10. DEFERRED TAX ASSETS/(LIABILITIES) (CONTINUED)

## Unrecognised deferred tax assets

Deferred tax assets have not been recognised for the following items (stated at net):

	Group	
	2022 RM'000	2021 RM'000
Unabsorbed tax losses	189,254	177,213
Unabsorbed capital allowances	24,265	23,935
Provisions	28,646	33,055
Other temporary differences	(717)	(535)
	241,448	233,668

The comparative figures of the Group have been revised to reflect the previous year final tax submission.

Effective Year of Assessment 2019 as announced in the Annual Budget 2022, the unabsorbed tax losses of the Group as of 31 December 2022 and thereafter will be available for carry forward for a period of 10 consecutive years. Upon expiry of the 10 years, the unabsorbed tax losses will be disregarded.

The unabsorbed tax losses of the Group are available for offsetting against future taxable profits of the respective entities within the Group, subject to no substantial change in shareholdings of those entities under the Income Tax Act, 1967 and guidance issued by the tax authority as follows (net of tax):

	Group	
	2022 RM'000	2021 RM'000
Utilisation period		
Indefinite	52,194	56,455
Within 10 years from unabsorbed tax losses	189,254	177,213
	241,448	233,668

## 11. INVENTORIES

	Group	
	2022 RM'000	2021 RM'000
<b>Cost</b>		
Stores and consumables	4,299	3,836
Others	591	444
	4,890	4,280

During the year, the amount of inventories recognised in the profit or loss of the Group was RM22,164,000 (2021: RM17,014,000) and is included in plantation costs and raw materials, consumables and maintenance in the statement of profit or loss and other comprehensive income.



## Notes to the Financial Statements

### 12. FRESH FRUIT BUNCHES

#### 12.1 Fair value of fresh fruit bunches

	Group	
	2022 RM'000	2021 RM'000
<b>Fair value less cost to sell</b>		
Fresh fruit bunches	5,837	5,811

The following table shows the valuation technique used in the determination of fair values, classified within Level 3, as well as significant unobservable inputs used in the valuation model.

Description of valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
<b>Income approach:</b>		
The method involves forecasting the income to be generated by the fresh fruit bunches on the trees at year end by using 4 months projected sales less cost of harvesting and collection to estimate the fresh fruit bunches on the trees as the black bunches normally require 4 to 5 months to reach maturity. In arriving at the valuation, a transformation growth factor was included.	Maturity period of the fresh fruit bunches and transformation growth factor.	The estimated fair value would increase/(decrease) if: (a) the fresh fruit bunches take (shorter)/longer time to reach maturity. (b) the transformation growth factor is higher/(lower).

The following table shows a reconciliation of the fair value of fresh fruit bunches:

	Group	
	2022 RM'000	2021 RM'000
At 1 January	5,811	5,549
Change in fair value recognised in profit or loss	26	262
At 31 December	5,837	5,811

During the financial year, Danum Sinar harvested approximately 46,419 MT (2021: 49,952 MT). The quantity of unharvested fresh fruit bunches ("FFB") as at 31 December 2022 included in the fair valuation of unharvested FFB was 16,000 MT (2021: 16,800 MT).

If the FFB selling price changes by 5%, profit or loss would have equally increased or decreased by approximately RM292,000 (2021: RM291,000).

## Notes to the Financial Statements

## 13. CONTRACT BALANCES

	Group	
	2022 RM'000	2021 RM'000
Contract assets	5,015	727
Contract liabilities	(3,906)	(4,153)

## 13.1 Contract assets/(liabilities)

The contract assets primarily relate to the Group's rights to consideration for work completed on construction contracts but not yet billed at the reporting date. Typically, the amount will be billed within 30 days and payment is expected within 60 days.

The contract liabilities primarily relate to the advance consideration received from a customer for construction contract, which the revenue is recognised over time during the construction period.

## 14. TRADE AND OTHER RECEIVABLES

	Note	Group		Company	
		2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
<b>Non-current</b>					
<b>Trade</b>					
Receivables from concession customer	14.1	802,083	835,726	-	-
<b>Non-trade</b>					
Prepayments	14.2	20,172	23,487	-	-
		822,255	859,213	-	-
<b>Current</b>					
<b>Trade</b>					
Trade receivables	14.3	11,337	43,831	-	-
Receivables from concession customer	14.1	97,141	79,343	-	-
Advances to subcontractors	14.4	4,796	4,796	-	-
		113,274	127,970	-	-
<b>Non-trade</b>					
Amounts due from subsidiaries	14.5	-	-	192,383	180,170
Prepayments	14.2	44,802	38,183	102	22
Other receivables		10,716	27,225	457	593
Deposits	14.6	15,606	16,368	27	10
		71,124	81,776	192,969	180,795
		184,398	209,746	192,969	180,795
		1,006,653	1,068,959	192,969	180,795

## Notes to the Financial Statements

### 14. TRADE AND OTHER RECEIVABLES (CONTINUED)

#### 14.1 Receivables from concession customer

##### (a) Concession Agreement (“CA-Z1P2”)

On 4 May 2010, TRIplc Ventures Sdn. Bhd. (“TVSB”), a wholly-owned sub-subsidiary of the Company executed a CA-Z1P2 with the Government of Malaysia and UiTM for the right and authority to undertake the planning, design, development, construction, landscaping, equipping, installations, completion, testing and commissioning of the Facilities and Infrastructure of UiTM Puncak Alam Campus and to carry out the maintenance works in relation to the maintenance of the Facilities and Infrastructure (collectively referred to as the “Concession”) as disclosed in Note 3(a) to the financial statements.

The principal terms of the CA-Z1P2 are as follows:

- (i) the Concession Period shall be for a period of twenty three (23) years commencing from the Construction Commencement Date or Effective Date whichever is later and ending on twenty third (23rd) anniversary of the date. The commencement date of the construction was 11 April 2011.
- (ii) the maintenance works will commence upon the issuance of Certificate of Acceptance by UiTM and expire on the last date of the Concession Period (“Maintenance Period”).

The construction was completed and the Certificate of Acceptance was issued by UiTM on 11 April 2014. The issuance of Certificate of Acceptance was to confirm the acceptance of the availability of Facilities and Infrastructure by UiTM and to confirm the commencement of the Maintenance Period was from 11 April 2014.

UiTM shall pay TVSB throughout the Maintenance Period the following charges:

- (i) Availability Charges for the availability of the Facilities and Infrastructure; and
- (ii) Maintenance Charges for the provision of maintenance works in accordance with the provision of the Concession Agreement.

The receivables from the concession customer of CA-Z1P2 are pledged to Danajamin Nasional Berhad (“Danajamin”) and Junior Note as disclosed in Note 18.2 to the financial statements.

The Group, through another wholly-owned sub-subsidiary commenced with the facilities management services for a period of 20 years from 2014 to 2034.

##### (b) Concession Agreement (“CA-Z1P3”)

On 18 February 2016, TRIplc Medical Sdn. Bhd. (“TMSB”), a wholly-owned sub-subsidiary of the Company executed the CA-Z1P3 with the Government of Malaysia and UiTM for the rights and authority to undertake the planning, design, development, construction, landscaping, equipping, installation, completion, testing and commissioning of the Facilities and Infrastructure in relation to the Teaching Hospital and Medical Academic Centre at UiTM Puncak Alam Campus and thereafter, to carry out the asset management services of the Facilities and Infrastructure (collectively referred to as the “Concession”) as disclosed in Note 3(b) to the financial statements.

## Notes to the Financial Statements

### 14. TRADE AND OTHER RECEIVABLES (CONTINUED)

#### 14.1 Receivables from concession customer (continued)

##### (b) Concession Agreement ("CA-ZIP3") (continued)

The principal terms of the CA-ZIP3 are as follows:

- (i) the concession granted is for a period of twenty five (25) years and 10 months ("Concession Period") which consists of three (3) years and 10 months for construction works and twenty two (22) years for asset management services. The commencement date of the construction was 11 April 2017;
- (ii) the asset management services had commenced on 1 February 2021 upon completion of the construction works and expiring on the last date of the Concession Period ("Asset Management Services Period");
- (iii) throughout the Asset Management Services Period, UiTM shall pay TMSB the Availability Charges for the availability of the Facilities and Infrastructure and the Asset Management Services Charges for the provision of maintenance services and asset replacement programme; and
- (iv) On 22 May 2020, TMSB was granted an extension of time ("EoT No.1") from 10 April 2020 to 10 October 2020 and on 6 October 2020, a further extension of time ("EoT No.2") till 1 February 2021 to complete the CA-ZIP3 construction works. TMSB completed the construction works on time and successfully handed over UiTMZIP3 on 1 February 2021 upon receipt of the Certificate of Acceptance ("COA") by UiTM.

The receivables from the concession customer of CA-ZIP3 are pledged to the Security Trustee for the Al-Kafalah Facility, Senior Sukuk Murabahah and Junior Sukuk Murabahah granted to TMSB as disclosed in Note 18.3(e)(v) to the financial statements as part of the assignment of the Concession Agreement.

#### 14.2 Prepayments

- (a) Included in prepayments of the Group is prepaid guarantee premium fees of RM917,000 (2021: RM2,024,000) in respect of the Medium Term Notes, prepaid guarantee premium fees and prepaid interest expense of RM5,254,000 (2021: RM5,812,000) and RM42,214,000 (2021: RM41,701,000) respectively in respect of the Senior Sukuk Murabahah.
- (b) Included in prepayment of the Group is prepaid interest expense of RM4,525,000 (2021: RM5,409,000) paid on the redemption of Junior Term Note issued by TVSB.

#### 14.3 Trade receivables

Trade receivables are non-interest bearing and are generally on a range of 30 to 90 days (2021: 30 to 90 days) terms. Credit terms are assessed and approved on a case-by-case basis.

#### 14.4 Advances to subcontractors

Advances are paid to subcontractors upon request by subcontractors, as per contract. Advances are non-interest bearing and are recouped progressively and proportionately from subsequent progress billings from the subcontractors upon supply of the works attaining a certain percentage of the contract sum.

#### 14.5 Amounts due from subsidiaries

The amounts due from subsidiaries are unsecured and repayable on demand. During the current financial year, the interest charged to these amounts ranged from 1.88% - 2.55% (2021: 1.98% - 2.27%) per annum.

Included in amounts due from subsidiaries is impairment loss of RM11,975,000 (2021: RM58,000) during the year. The impairment loss is recognised in the amount due from subsidiaries was due to estimated recovered amount of the subsidiaries. Refer to Note 30.4.5 to the financial statements.



## Notes to the Financial Statements

### 14. TRADE AND OTHER RECEIVABLES (CONTINUED)

#### 14.6 Deposits

Included in deposits of the Group are deposits paid to various regulatory authorities in regards to the on-going construction project of RM7,109,000 (2021: RM7,109,000) and deposits of the net adjudicated amount of RM6,315,000 (2021: RM6,315,000) which is currently held by the solicitor of Genbina and its receiver cum co-plaintiff, namely Malaysia Debt Ventures Berhad ("MDV") in regards to the notice of adjudication as disclosed in Note 35(IV) to the financial statements.

### 15. SHORT-TERM INVESTMENTS

	Note	Group		Company	
		2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Short-term investments	15.1	5,072	11,037	5,072	10,157
Fixed deposits placed with licensed banks	15.2	54,016	83,970	-	-
		59,088	95,007	5,072	10,157

#### 15.1 Short-term investments

Short-term investments represent unit trust and cash fund placements in financial institutions and are categorised as financial assets at fair value through profit or loss.

#### 15.2 Fixed deposits placed with licensed banks

The fixed deposits placed with licensed banks have maturity of more than three (3) months and are measured at amortised cost.

Included in the Group's short-term investments are restricted monies amounting to RM9,206,000 (2021: RM2,824,000) held under the Revenue Accounts, MTN Debt Service Reserve Account and Junior Note Debt Service Reserve Account, representing securities assigned and charged with Security Agent for the Financial Guarantee Insurance ("FGI"), Medium Term Notes and Junior Notes as disclosed in Note 18.2.1(d)(vii) to the financial statements.

Included in the Group's short-term investments are restricted monies amounting to RM38,391,000 (2021: RM74,863,000) held under Disbursement Account, Revenue Account, Senior Sukuk Finance Service Reserve Account, Senior Sukuk TRA and Junior Sukuk TRA. The Disbursement Account, Revenue Account and Senior Sukuk Finance Service Reserve Account are securities pledged, assigned and charged with Security Agent, licensed banks and/or licensed financial institutions for Senior Sukuk Murabahah and Junior Sukuk Murabahah as disclosed in Note 18.3(e)(ii),(iii) and (iv) to the financial statements.

Included in the Group's short-term investments are restricted monies amounting to RM6,118,000 (2021: RM5,987,000) held under the Liquidity Reserve Account ("LRA") and Trustee Reimbursement Account ("TRA"). The LRA is a security assigned and charged with Security Trustee for the Medium Term Notes as disclosed in Note 18.2.2(d)(iv) to the financial statements.

Included in the Group's short-term investments are restricted monies amounting to RM301,000 (2021: RM296,000) as a security assigned and charged to lender of bank overdraft to TRIplc Berhad as disclosed in Note 18.5(a)(ii) to the financial statements.

## Notes to the Financial Statements

### 16. CASH AND CASH EQUIVALENTS

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Deposits with licensed banks	110,670	126,079	25,365	44,487
Cash and bank balances	84,023	117,204	6,110	13,257
	194,693	243,283	31,475	57,744

- (i) Included in the cash and cash equivalents of the Group is an amount of RM14,000 (2021: RM525,000) held under the Group's Designated Accounts pledged to a Security Agent as securities for the repayment of the total secured amount for the term loan facility as disclosed in Note 18.6 to the financial statements.
- (ii) Included in the cash and cash equivalents of the Group is an amount of RM29,909,000 (2021: RM37,999,000) held under the Group's Proceed Accounts, Debt Service Reserve Account ("DSRA"), and LRA. The Group's Proceed Account, DSRA and LRA are pledged with a licensed financial institution as disclosed in Note 18.2.2(d)(iv) to the financial statements.
- (iii) Included in cash and cash equivalents of the Group is an amount of RM2,964,000 (2021: RM2,369,000) held under the Group's Escrow Account pledged with a licensed bank to secure the loan facilities as disclosed in Note 18.1.1(c) to the financial statements.
- (iv) Included in the cash and cash equivalents of the Group is an amount of RM15,271,000 (2021: RM18,816,000) held under the Group's Revenue Account, Operating Account and MTN Debt Service Reserve Account ("DSRA") ("Designated Accounts"). The Group has assigned and charged to the Security Agent, all its rights, title, interest, and benefits in and under the Designated Accounts as securities for the repayment of the total secured amount for the Financial Guarantee Insurance ("FGI") Facility and Junior Note. The repayment shall rank in the order of priority as disclosed in Note 18.2.1(d)(viii) to the financial statements.
- (v) Included in the cash and cash equivalents of the Group is an amount of RM16,000 (2021: RM16,000) held under the Junior Note DSRA ("JN DSRA"). The Group has assigned and charged to the Security Agent all its rights, title, interest and benefits in and under the JN DSRA as security for the payment of the outstanding under the Junior Note.
- (vi) Included in the cash and cash equivalents is an amount of RM61,903,000 (2021: RM68,145,000) held under the Group's Disbursement Account, Revenue Account, Operating Account, Senior Sukuk Finance Service Reserve Account ("Senior Sukuk FSRA"), Junior Sukuk Finance Service Reserve Account ("Junior Sukuk FSRA"), Senior Sukuk TRA and Junior Sukuk TRA. The Group's Disbursement Account, Revenue Account, Operating Account, Senior Sukuk FSRA and Junior Sukuk FSRA are pledged, assigned and charged to the Security Trustee, all its rights, title, interest and benefits under these accounts as disclosed in Note 18.3(e)(ii),(iii) and (iv) to the financial statements.
- (vii) Included in cash and cash equivalents of the Group and of the Company is an amount of RM13,589,000 (2021: RM13,188,000) and RM13,403,000 (2021: RM13,188,000) respectively pledged with a licensed bank to secure the issuance of bank guarantees.

## Notes to the Financial Statements

### 17. CAPITAL AND RESERVES

#### 17.1 Share capital

	Group and Company			
	2022		2021	
	Amount RM'000	Number of shares '000	Amount RM'000	Number of shares '000
Ordinary shares, issued and fully paid with no par value:				
At 1 January/31 December	554,663	449,285	554,663	449,285

#### Ordinary shares

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company. In respect of the Company's treasury shares that are held by the Company (Note 17.2), all rights are suspended until those shares are reissued.

#### 17.2 Treasury shares

Treasury shares comprise solely the ordinary shares of the Company that are held by the Company. The amount consists of the acquisition costs of treasury shares net of the proceeds received on their subsequent sale or issuance. There was no repurchase of issued share capital in the current financial year.

As at 31 December 2022, the Company held 2,036,800 (2021: 2,036,800) of the Company's ordinary shares as treasury shares, amounting to RM5,941,000 (2021: RM5,941,000).

#### 17.3 Foreign currency translation reserve

The foreign currency translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

## Notes to the Financial Statements

### 17. CAPITAL AND RESERVES (CONTINUED)

#### 17.4 Revaluation reserve

The revaluation reserve relates to the revaluation of property, plant and equipment and also for those properties reclassified from property, plant and equipment to investment properties. Details of the revaluation reserve are as follows:

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
At 1 January, gross	126,209	128,132	-	2,513
Less:				
Realisation of revaluation arising from disposal of assets	-	(1,923)	-	(2,513)
At 31 December, gross	126,209	126,209	-	-
At 1 January, deferred tax	(13,819)	(13,819)	-	(857)
Add:				
Realisation of deferred tax arising from disposal of assets	-	-	-	857
At 31 December, deferred tax	(13,819)	(13,819)	-	-
At 31 December, net	112,390	112,390	-	-

#### 17.5 Other reserve

Other reserve represents the premium paid on the acquisition of the non-controlling interests in KGL and GOM Resources respectively.



## Notes to the Financial Statements

### 18. LOANS AND BORROWINGS

	Note	Group	
		2022 RM'000	2021 RM'000
<b>Non-current</b>			
Tawarruq term loan	18.1	126,083	128,483
Medium Term Notes	18.2	242,293	266,726
Senior Sukuk Murabahah	18.3	544,785	582,526^
Sukuk Murabahah	18.4	40,600	-
Term loan	18.6	-	12,252
Lease liabilities	30.5	2,899	5,550
		<b>956,660</b>	<b>995,537</b>
<b>Current</b>			
Tawarruq term loan	18.1	2,400	2,400
Revolving credit facility	18.1	150,000	150,000
Medium Term Notes	18.2	24,708	24,627
Senior Sukuk Murabahah	18.3	37,742	37,594^
Bank overdraft	18.5	25	2,618
Term loan	18.6	-	5,000
Cashline-I	18.7	-	12,478
Lease liabilities	30.5	3,663	3,331
		<b>218,538</b>	<b>238,048</b>
		<b>1,175,198</b>	<b>1,233,585</b>

^ The comparatives figures have been restated as disclosed in Note 36 to the financial statements.

#### 18.1 Tawarruq term loan and revolving credit facility

##### 18.1.1 Tawarruq term loan and revolving credit facility I

Tawarruq term loan facility and Tawarruq revolving credit facility were granted to Danum Sinar to refinance its previous banking facilities, for working capital purposes and to finance the expansion of the plantation development activities in Sarawak, Malaysia.

The Tawarruq term loan facility is for a period of 180 months inclusive of twenty four (24) months' grace period and subject to a yearly review. The principal repayment commenced on the 25th month end from the date of initial drawdown in November 2017. The profit is payable on a monthly basis at a profit rate of Islamic Cost of Fund plus margin of 1.60% per annum.

The Tawarruq revolving credit facility is for a period of one (1), two (2) or three (3) months and subject to yearly review. The profit is payable at the end of each profit period at a profit rate of Islamic Cost of Fund plus margin of 1.60% per annum.

## Notes to the Financial Statements

### 18. LOANS AND BORROWINGS (CONTINUED)

#### 18.1 Tawarruq term loan and revolving credit facility (continued)

##### 18.1.1 Tawarruq term loan and revolving credit facility I (continued)

The facilities were secured via the following:

- (a) first charge on plantation land, plantation buildings and infrastructure as disclosed in Note 4.4(a) to the financial statements and bearer biological assets as disclosed in Note 6.3 to the financial statements;
- (b) debenture over present and future assets of Danum Sinar;
- (c) charge and assignment over a designated Escrow Account;
- (d) corporate guarantee from the Company; and
- (e) undertaking letter from Company to finance any cash flow deficiency in Danum Sinar and to top up any shortfall in the Minimum Required Balance in the Escrow Account.

The key financial covenants of the facilities are as follows:

- (a) Danum Sinar shall maintain a minimum Finance Service Coverage Ratio ("FSCR") of 1.20 times at all times. FSCR shall be computed as the ratio of net operating and investing cash flow and operating cash balance to the annual principal and profit payment obligations;
- (b) PNHB Group's consolidated net finance to equity ("FE") ratio shall not be more than 1.20 times at all times; and
- (c) no further indebtedness in Danum Sinar, save for hire purchase machinery or equipment financing with total limit up to RM30.0 million only.

##### 18.1.2 Tawarruq revolving credit facility II

The Tawarruq revolving credit facility was granted to Puncak Niaga Construction Sdn. Bhd. for working capital purposes and operating expenses related to the Kuantan Project.

The revolving credit facility is for a period of one (1), two (2) or three (3) months and subject to yearly review. The profit is payable at the end of each profit period at a profit rate of Islamic Cost of Fund plus margin of 1.15% per annum.

The facility was secured via the following:

- (a) assignment of all rights, title and interests in the proceeds from the project under a Designated Account maintained with the bank;
- (b) third party first legal charge on leasehold land and buildings as disclosed in Note 4.4(b) to the financial statements;
- (c) charge over the Designated Account maintained by the Main Contractor of the project with the bank; and
- (d) corporate guarantee by PNHB.

On 19 September 2022, the existing Tawarruq revolving credit facility has been converted to a Blanket Contract Financing Line-i ("BFCL-i") with a total limit of RM88.0 million, to finance the contracts and future contracts/works awarded from time to time that is accepted by the bank.

All other existing terms and conditions stated in Tawarruq revolving credit facility are to remain unchanged.

## Notes to the Financial Statements

### 18. LOANS AND BORROWINGS (CONTINUED)

#### 18.2 Medium Term Notes

	Group	
	2022 RM'000	2021 RM'000
At beginning of the financial year	295,000	315,000
Repayment during the financial year	(25,000)	(20,000)
At end of the financial year	270,000	295,000
<b>Accretion of discount</b>		
At beginning of the financial year	3,647	4,363
Less: Recognised in profit or loss	(648)	(716)
At end of the financial year	2,999	3,647
	267,001	291,353
<i>Represented as:</i>		
Current	24,708	24,627
Non-current	242,293	266,726
	267,001	291,353

#### 18.2.1 Medium Term Notes I

- (a) On 10 October 2011, TVSB issued RM240 million nominal value Medium Term Notes I under a MTN programme for the following purpose:
  - (i) to part finance the construction cost as defined under the Concession Agreement ("CA") executed between TVSB, UiTM and the Government of Malaysia, as represented by MOHE for the design, development, construction of the Facilities and Infrastructure as defined under the CA; and
  - (ii) to finance the payment of coupons under the Medium Term Notes I during the construction period of the said Facilities and Infrastructure and to prefund the debt service reserve account require under the financial guarantee facility up to such amount equivalent to the minimum required balance.
- (b) The Medium Term Notes I of the Group bears coupon at a rate of 3.00% per annum for the first 3 years of the tenure and at rates ranging from 5.40% to 5.93% per annum for the subsequent years of the tenure.
- (c) The Medium Term Notes I is repayable as follows:
  - (i) repayment of RM20 million instalments each to be made from the fifth year to the tenth year from the issue date;
  - (ii) repayment of RM25 million instalments each to be made from the eleventh to the fourteenth year from the issue date; and
  - (iii) final repayment of RM20 million to be made at the end of the fifteenth year from the issue date.

## Notes to the Financial Statements

### 18. LOANS AND BORROWINGS (CONTINUED)

#### 18.2 Medium Term Notes (continued)

##### 18.2.1 Medium Term Notes I (continued)

- (d) Medium Term Notes I is secured by the Financial Guarantee Insurance ("FGI") facility. The FGI facility is secured by:
- (i) debenture over present and future assets of TVSB;
  - (ii) assignment of all rights, title, interests and benefits in and under the CA;
  - (iii) assignment of all rights, title, interests and benefits in and under the insurances and the performance bonds;
  - (iv) corporate guarantee from TRIplc Berhad;
  - (v) charge over investment in a sub-subsidiary, TVSB with a carrying amount of RM26,650,000 (2021: RM26,650,000);
  - (vi) undertaking by PNHB and TRIplc Berhad;
  - (vii) assignment and charge of all rights, title, interests and benefits in and under the Designated Accounts; and
  - (viii) repayment of the secured amount shall rank in the following order of priority:
    - (1) Firstly, Danajamin Nasional Berhad in respect of FGI facility;
    - (2) Secondly, the trustee for the benefit of holders of Junior Notes.
- (e) Significant covenants for the Medium Term Notes I is as follows:
- (i) debt service cover ratio (annual) of not less than 1.30 times throughout the tenure of the credit facilities of TVSB for the covenant of Medium Term Notes I; and
  - (ii) debt service cover ratio (restricted distribution) of not less than 1.50 times after payment of Junior Notes interest and dividend throughout the tenure of the credit facilities of TVSB for the covenant of Medium Term Notes I.

As at the end of the financial year, the debt service cover ratio for item (i) and (ii) remains not less than 1.30 times and 1.50 times respectively.

##### 18.2.2 Medium Term Notes II

- (a) On 31 July 2019, PBSB issued RM200 million nominal value Medium Term Notes II under a MTN programme for the following purpose:
- (i) advance to TRIplc Berhad as and when required to part finance the construction costs pursuant to the concession agreement dated 18 February 2016 entered between the Government of Malaysia, Universiti Teknologi MARA and TMSB for the planning, design, financing, development, construction, landscaping, equipping, installation, completion, testing and commissioning of the facilities and infrastructure in relation to the Teaching Hospital and Medical Academic Centre in UiTM Puncak Alam Campus ("CA-Z1P3");
  - (ii) advance to TRIplc Berhad to partially repay the term loan facility to part finance the construction costs of the CA-Z1P3 Project;



## Notes to the Financial Statements

### 18. LOANS AND BORROWINGS (CONTINUED)

#### 18.2 Medium Term Notes (continued)

##### 18.2.2 Medium Term Notes II (continued)

- (a) On 31 July 2019, PBSB issued RM200 million nominal value Medium Term Notes II under a MTN programme for the following purpose (continued):
  - (iii) purchase RM35 million in nominal value of Junior Notes issued by TVSB;
  - (iv) to finance the payment obligations in respect of the initial pre-fund amount for the purpose of making coupon payments of the Medium Term Notes II and meet the minimum requirement for debt service reserve account and liquidity reserve account; and
  - (v) to pay fees and expenses in connection with the issuance of Medium Term Notes II.
- (b) The Medium Term Notes II of the Group bears coupon at a rate ranging from 6.05% to 6.70% per annum.
- (c) The Medium Term Notes II is repayable as follows:
  - (i) repayment of RM60 million instalment to be made for the tenth year from the issue date;
  - (ii) repayment of RM30 million instalment to be made for the eleventh year from the issue date;
  - (iii) repayment of RM25 million instalments to be made from the twelfth to thirteenth year from the issue date; and
  - (iv) final repayment of RM30 million instalments to be made from the fourteenth to fifteenth year from the issue date.
- (d) The Medium Term Notes II is secured by:
  - (i) a second ranking charge by TRIplc Berhad over the entire issued and fully paid up share capital of TVSB ("Share Charge"). Such Share Charge shall rank after the charge over the TVSB Shares given by TRIplc Berhad in favour of Malaysian Trustees Berhad as Security Agent in respect of the TVSB Medium Term Notes I and Junior Notes;
  - (ii) an assignment by TRIplc Berhad over all dividends declared or to be declared by TVSB from time to time;
  - (iii) a charge by PBSB over the rights, interest, title and benefits under the Junior Notes of RM35 million in nominal value issued by TVSB as disclosed in Note 18.2.1(e) to the financial statements;
  - (iv) an assignment and charge by PBSB over the Designated Accounts and the credit balances;
  - (v) a debenture by PBSB by way of a first ranking fixed and floating charge over all the present and future assets, rights and interests of PBSB;
  - (vi) an assignment by PBSB over the rights, interests, titles and benefits of the debt receivables from TRIplc Berhad pursuant to the advance granted to TRIplc Berhad by PBSB; and
  - (vii) undertaking by the Company.
- (e) Significant covenants for the Medium Term Notes II is as follows:
 

PBSB shall maintain a sub-debt service coverage ratio ("Sub-DSCR") of at least 1.20 times throughout the tenure of the Medium Term Notes II.

## Notes to the Financial Statements

## 18. LOANS AND BORROWINGS (CONTINUED)

## 18.3 Senior Sukuk Murabahah

	Group	
	2022 RM'000	2021 RM'000
At beginning of the financial year	639,000	639,000
Repayment during the financial year	(40,000)	-
At end of the financial year	599,000	639,000
<b>Accretion of discount</b>		
At beginning of the financial year	18,880	21,306
Less: Recognised in profit or loss	(2,407)	(2,426)
At end of the financial year	16,473	18,880
	582,527	620,120
<i>Represented as:</i>		
Current	37,742	37,594
Non-current	544,785	582,526
	582,527	620,120

- (a) On 23 October 2017, a wholly-owned sub-subsidiary of the Company, TMSB issued the Senior Sukuk Murabahah of up to RM639 million in nominal value based on the Shariah principle of Murabahah (via Tawarruq arrangement) with tenure from five (5) years up to eighteen (18) years from the date of issuance for the following purposes:

- (i) to part finance the construction cost of the CA-Z1P3;
- (ii) to finance the payment obligations in respect of the initial pre-fund amount for the Senior Sukuk FSRA for the purpose of making profit payments of the Senior Sukuk Murabahah and guarantee fee payments under the Al-Kafalah Facility; and
- (iii) the balance shall be utilised to pay and/or reimburse the fees and expenses incidental to CA-Z1P3.

- (b) The Senior Sukuk Murabahah bears coupon at profit rates ranging from 4.75% to 5.90% per annum.

- (c) The Senior Sukuk Murabahah was guaranteed by both guarantors, Danajamin Nasional Berhad and Bank Pembangunan Malaysia Berhad ("Al-Kafalah Providers") for a period of forty eight (48) months from the date of issuance of Senior Murabahah or upon issuance of the Certificate of Acceptance ("Al-Kafalah Period"), whichever is earlier.

The guarantee fee is charged at 1.75% per annum for the first three (3) years and 2.00% for the fourth (4th) year.

The Al-Kafalah Facilities and Al-Kafalah policy was cancelled effective 1 February 2021 upon issuance of the Certificate of Acceptance by UiTM.

## Notes to the Financial Statements

### 18. LOANS AND BORROWINGS (CONTINUED)

#### 18.3 Senior Sukuk Murabahah (continued)

- (d) The Senior Sukuk Murabahah is repayable as follows:
  - (i) repayment of RM40 million instalments each to be made from the fifth year to the ninth year from the issue date;
  - (ii) repayment of RM44 million instalment to be made for the tenth year from the issue date;
  - (iii) repayment of RM45 million instalment to be made for the eleventh year from the issue date; and
  - (iv) repayment of RM50 million instalments each to be made from the twelfth year to the eighteenth year from the issue date.
- (e) TMSB has executed the following security documents being securities for the Senior Sukuk Murabahah and Term loan:
  - (i) the debenture by TMSB;
  - (ii) the assignment and charge over Disbursement Account, Revenue Account and Operating Account;
  - (iii) the assignment and charge over Senior Sukuk FSRA;
  - (iv) the assignment and charge over Junior Sukuk FSRA;
  - (v) the assignment of CA-ZIP3;
  - (vi) the assignment of performance bonds and completion guarantee;
  - (vii) the assignment of Project Documents;
  - (viii) the assignment of takaful/insurances; and
  - (ix) the fixed charge over the shares of TMSB.
- (f) The rights of the above security documents and any proceeds of realisation thereof as stated in the Priority and Security Sharing Agreement ("PSSA") shall now rank as follows:
  - (i) Firstly, the Senior Sukuk Trustee on behalf of the Senior Sukuk holders; and
  - (ii) Secondly, the Junior Sukuk Trustee on behalf of the Junior Sukuk holders.
- (g) Significant financial covenants for the Senior Sukuk Murabahah and Junior Sukuk Murabahah are as follows:
  - (i) finance service cover ratio of at least 1.65 times during the Asset Management Services Period; and
  - (ii) permitted distribution finance service cover ratio of at least 1.65 times following any distribution made after the permitted distribution conditions are met.

## Notes to the Financial Statements

### 18. LOANS AND BORROWINGS (CONTINUED)

#### 18.4 Sukuk Murabahah

	Group	
	2022 RM'000	2021 RM'000
At beginning of the financial year	-	-
Drawdown during the financial year	40,600	-
At end of the financial year	40,600	-

- (a) On 23 December 2021, Danum Sinar made a lodgement with the Securities Commission Malaysia ("SC") for Islamic Medium Term Notes Programme of up to RM300.0 million in Nominal Value under the Shariah Principle of Murabahah via Tawarruq Arrangement ("Sukuk Murabahah Programme"). During the financial year, Danum Sinar issued the first tranche of RM50.0 million in nominal value under the Sukuk Murabahah Programme.

The proceeds from the issuance of the Sukuk Murabahah Programme, from time to time, shall be utilised by Danum Sinar for the following Shariah-compliant purposes:

- (i) to pay all fees and expenses in relation to the Sukuk Murabahah Programme; and
  - (ii) to part finance Danum Sinar's new plantation development expenditure, construction of plantation mill and for working capital requirements.
- (b) The Sukuk Murabahah Programme will be issued in tranches and the security/collateral to be pledged for each of the tranches will only be determined and agreed with the relevant subscribers of the respective tranches prior to issuance of such tranche.

Tranche 1 shall be secured against the following security:

- (i) first charge on plantation land, plantation buildings and infrastructure as disclosed in Note 4.4(a) to the financial statements and bearer biological assets as disclosed in Note 6.3 to the financial statements;
- (ii) debenture over present and future assets of Danum Sinar;
- (iii) assignment and charge over Tranche 1 Designated Account;
- (iv) corporate guarantee from the Company; and
- (v) undertaking by the Company.

The security under item (i), (ii) and (v) shall be shared on a pari passu basis between the Sukukholders under Tranche 1 and financier to the existing Tawarruq term loan facility and revolving credit facility as disclosed in Note 18.1.1 to the financial statements via the security sharing agreement ("Security Sharing Agreement").

- (c) The profit is payable on a monthly basis at a profit rate of Islamic Cost of Fund plus margin of 1.60% per annum.
- (d) The key financial covenants for the Sukuk Murabahah Programme are as follows:
- (i) Danum Sinar shall maintain a minimum Finance Service Coverage Ratio ("FSCR") of 1.20 times at all times; and
  - (ii) PNHB Group's consolidated net finance to equity ("FE") ratio shall not be more than 1.20 times at all times.



## Notes to the Financial Statements

### 18. LOANS AND BORROWINGS (CONTINUED)

#### 18.5 Bank overdraft

- (a) Bank overdraft of TRIplc Berhad, a wholly-owned subsidiary of the Company is secured by:
  - (i) a third party first legal charge over a leasehold land as disclosed in Note 5.3(a) to the financial statements; and
  - (ii) pledged of first party fixed deposit of RM301,000 (2021: RM296,000).
- (b) Bank overdraft of the Group bears interest at a rate of 6.57% (2021: 6.57%) per annum.

#### 18.6 Term loan

TRIplc Berhad had on August 2019 obtained a Term loan amount of RM25 million. The purpose of the loan is for TRIplc Berhad to acquire the Medium Term Notes II totalling RM25 million issued by PBSB and was drawdown on September 2019.

The Term loan is secured by:

- (i) first assignment and charge over all the Designated Accounts of TRIplc Berhad;
- (ii) legal charge over a land of the Group as disclosed in Note 5.3(b) to the financial statements;
- (iii) assignment of the construction profits accruing to TRIplc Berhad from the construction component of the development of CA-Z1P2 of at least RM5 million; and
- (iv) assignment and charge on Medium Term Notes II of RM25 million issued by PBSB.

The Term loan bears effective interest at a rate of 5.80% (2021: 5.43%) per annum.

The Term loan facility has been fully settled by TRIplc Berhad on 5 September 2022. The securities under items (i) to (iv) are in the process of being discharged as at the date of this report.

#### 18.7 Cashline-I facility

- (a) TRIplc Berhad, a wholly-owned subsidiary of the Company obtained the approval from the lender for a Cashline-I facility of RM12.5 million to finance the partial repayment of Term loan. The RM12.5 million was drawdown on 4 December 2019.
- (b) The Cashline-I facility bears effective interest at a rate of 6.64% (2021: 6.39%) per annum.

The facility is secured by:

- (i) 3rd party second land charge over a leasehold land as disclosed in Note 5.3(b) to the financial statements;
- (ii) 1st party second legal charge over all present and future shares of TMSB;
- (iii) the existing Debenture by TMSB shall extend to secure the Cashline-I Facility;
- (iv) 3rd party second legal assignment and charge over the principal Construction Contract of Zone 1 Phase 3 Project ("CA-Z1P3");
- (v) 3rd party second legal assignment and charge over the construction profit under the Construction Contract of CA-Z1P3;

## Notes to the Financial Statements

### 18. LOANS AND BORROWINGS (CONTINUED)

#### 18.7 Cashline-I facility (continued)

(b) The facility is secured by (continued):

- (vi) 3rd party second legal assignment and charge over the Designated Accounts of CA-Z1P3;
- (vii) 1st party second charge over existing Designated Escrow Accounts of TRIplc Berhad;
- (viii) A legal assignment over the rights and interest to the dividends to be declared by TMSB to TRIplc Berhad, shall be at least RM20 million or sufficient amount to fully settle the facility;
- (ix) A legal assignment and charge over the Escrow Islamic Account and Islamic Current Accounts; and
- (x) A letter of Undertaking from the Company to cover any shortfall and financial obligation of TRIplc Berhad.

The Cashline-I facility has been fully settled by TRIplc Berhad on 3 August 2022. The securities under items (i) to (x) are in the process of being discharged as at the date of this report.

### 19. TRADE AND OTHER PAYABLES

	Note	Group		Company	
		2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
<b>Trade</b>					
Trade payables	19.1	104,230	132,775	-	-
		104,230	132,775	-	-
<b>Non-trade</b>					
Other payables and accruals	19.2	57,827	62,845	2,918	2,115
Amount due to subsidiaries		-	-	5,751	5,753
		57,827	62,845	8,669	7,868
		162,057	195,620	8,669	7,868

#### 19.1 Current trade payables

These amounts are non-interest bearing. Trade payables are normally settled on 30 - 60 days (2021: 30 - 60 days) terms.

#### 19.2 Other payables and accruals

During the current financial year, included in the other payables and accruals are accrued interest expense on Medium Term Notes, accrued interest expense on Junior Note and provision for replacements costs relating to CA-Z1P2 amounting to RM4,793,000 (2021: RM4,746,000), RM8,209,000 (2021: RM9,285,000) and RM21,471,000 (2021: RM20,086,000) respectively.

Included in other payables and accruals is an amount owing to a Director of the Company of RM5,306,000 (2021: RM5,306,000). The amount owing to a Director represents advances which are unsecured, interest-free and repayable on demand.

## Notes to the Financial Statements

### 20. PROVISION FOR FORESEEABLE LOSS

	Group	
	2022 RM'000	2021 RM'000
At 1 January	43,581	43,962
Provision utilised during the year	(4,177)	(381)
At 31 December	39,404	43,581

Provision for foreseeable loss of the Group, which arose from a subsidiary, PNCSB was made as the total contract costs of one of its contracts, D44 Project, is expected to exceed the total estimated contract revenue as a result of cost increase subsequent to the termination of the previous sub-contractor for non-performance and slow work progress.

The provision for foreseeable loss that was utilised during the year reflects the actual work that was realised upon revenue and cost recognition.

### 21. REVENUE

	Group	
	2022 RM'000	2021 RM'000
Revenue from contracts with customers	219,327	352,839
<b>Other revenue</b>		
- Others	1,601	2,164
	220,928	355,003

	Company	
	2022 RM'000	2021 RM'000
<b>Other revenue</b>		
- Dividend income	680	-

## Notes to the Financial Statements

## 21. REVENUE (CONTINUED)

## 21.1 Disaggregation of revenue

Group	Construction		Plantation		Concession		Other revenue		Total	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
<b>Primary geographical markets</b>										
Malaysia	55,017	134,735	41,744	41,235	124,132	178,937	35	96	220,928	355,003
<b>Major products and service lines</b>										
Construction contracts	55,017	134,735	-	-	-	-	-	-	55,017	134,735
CA-Z1P2 – maintenance service	-	-	-	-	46,023	42,269	-	-	46,023	42,269
CA-Z1P3 – asset management services	-	-	-	-	78,109	75,102	-	-	78,109	75,102
CA-Z1P3 – construction contracts	-	-	-	-	-	44,835	-	-	-	44,835
CA-Z1P3 – supply of medical equipment	-	-	-	-	-	14,678	-	-	-	14,678
CA-Z1P3 – supply of furniture	-	-	-	-	-	2,053	-	-	-	2,053
Sale of fresh fruits bunches	-	-	40,178	39,167	-	-	-	-	40,178	39,167
Others	-	-	1,566	2,068	-	-	35	96	1,601	2,164
	55,017	134,735	41,744	41,235	124,132	178,937	35	96	220,928	355,003
<b>Timing of recognition</b>										
At a point in time	-	-	41,744	41,235	-	16,731	35	96	41,779	58,062
Over time	55,017	134,735	-	-	124,132	162,206	-	-	179,149	296,941
	55,017	134,735	41,744	41,235	124,132	178,937	35	96	220,928	355,003
<b>Revenue from contract with customers</b>										
	55,017	134,735	40,178	39,167	124,132	178,937	-	-	219,327	352,839
<b>Other revenue</b>	-	-	1,566	2,068	-	-	35	96	1,601	2,164
<b>Total revenue</b>	55,017	134,735	41,744	41,235	124,132	178,937	35	96	220,928	355,003



## Notes to the Financial Statements

### 21. REVENUE (CONTINUED)

#### 21.2 Nature of goods and services

The following information reflects the typical transactions of the Group:

Nature of goods or services	Timing of recognition or method used to recognise revenue	Significant payment terms	Variable element in consideration	Obligation for returns or refunds	Warranty
Construction contract	Revenue is recognised over time using the cost incurred method.	Based on agreed milestones, certified by architects. Credit period of 30 days from invoice date.	Not applicable.	Not applicable.	Defect liability period of 2 years is given to the customer.
CA-ZIP2					
1. Construction contract	Revenue is recognised over time using the cost incurred method. The construction of the building and faculties are on land owned by the customer.	A fixed monthly payment will be received after the completion of the construction works. Credit period of 30 days from invoice date.	Not applicable.	Not applicable.	TVSB to make good defects throughout maintenance period.
2. Maintenance service	Revenue is recognised over time when the services are rendered.	Credit period of 30 days from invoice date.	Not applicable.	Not applicable.	Not applicable.
CA-ZIP3					
1. Construction contract	Revenue is recognised over time using the cost incurred method. The construction of the building and faculties are on land owned by the customer.	A fixed monthly payment will be received after the completion of the construction works. Credit period is of 30 days from invoice date.	Not applicable.	Not applicable.	TMSB to make good defects throughout asset management services period.
2. Supply of medical equipment	Revenue is recognised at a point in time when the goods are delivered.	Credit period of 30 days from invoice date.	Not applicable.	Not applicable.	TMSB to make good defects throughout asset management services period.
3. Supply of furniture	Revenue is recognised at a point in time when the goods are delivered.	Credit period of 30 days from invoice date.	Not applicable.	Not applicable.	TMSB to make good defects throughout asset management services period.
4. Asset management services	Revenue is recognised over time when the services are rendered.	Credit period of 30 days from invoice date.	Not applicable.	Not applicable.	Not applicable.
Sale of fresh fruit bunches	Revenue is recognised at a point in time when the goods are delivered.	Credit period of 15 days from invoice date.	Not applicable.	Not applicable.	Not applicable.

## Notes to the Financial Statements

### 21. REVENUE (CONTINUED)

#### 21.3 Transaction price allocated to the remaining performance obligations

The following table shows revenue from performance obligations that are unsatisfied (or partially unsatisfied) at the reporting date. The disclosure is only providing information for contracts that have a direction of more than one year.

	Year	Total RM'000
Concession segment		
- CA-Z1P2 – Availability charges	2023 to 2034	266,778
- CA-Z1P2 – Maintenance service	2023 to 2034	167,508
- CA-Z1P3 – Availability charges	2023 to 2043	800,717
- CA-Z1P3 – Asset management services	2023 to 2043	791,014
		2,026,017

#### 21.4 Significant judgements and assumptions arising from revenue recognition

The Group applied the following judgements and assumptions that significantly affect the determination of the amount and timing of revenue recognised from contracts with customers:

##### Construction contract

Significant judgement is involved in determining the costs to completion of the construction contract of the Group as at the reporting date, which has bearing on the computation of the stage of completion and the provision for foreseeable loss as disclosed in Note 20 to the financial statements. The stage of completion requires management to make reasonably dependable estimates of progress towards completion of projects.

These construction works are subject to final approval by respective customers. There is time lag between the final approval and the completion of construction work done by the Group. Hence, the actual costs could only be determined reliably on the completion of contracts, which may result in adjustments to the recognised profit or loss of the contracts.

##### CA-Z1P2

The Group applied the following approach to allocate the transaction price of the identified performance obligations:

Construction contract	: Expected cost-plus margin approach
Maintenance service	: Residual approach

In applying the above, the Group assumed an appropriate gross profit margin for the construction contract. A change in the gross profit margin will directly affect the transaction price, the amounts allocated to the identified performance obligations and the timing of the revenue recognised.

Upon completion of the construction works, the Group is entitled to fixed payments throughout the tenure of the concession period, as per the concession agreement. The discount rate used for the purpose of computation of the concession revenue comprising revenue from construction contract require significant judgements. A change in the discount rate will directly affect the amount and timing of revenue recognised.

## Notes to the Financial Statements

### 21. REVENUE (CONTINUED)

#### 21.4 Significant judgements and assumptions arising from revenue recognition (continued)

##### CA-Z1P3

The Group applied the following approach to allocate the transaction price of the identified performance obligations:

Construction contract	: Expected cost-plus margin approach
Supply of medical equipment	: Expected cost-plus margin approach
Supply of furniture	: Expected cost-plus margin approach
Asset management services	: Residual approach

In applying the above, the Group assumed an appropriate gross profit margin for the construction contract, supply of medical equipment and furniture. A change in the gross profit margin will directly affect the transaction price, the amounts allocated to the identified performance obligations and the timing of the revenue recognised.

Upon completion of the construction works, the Group is entitled to fixed payments throughout the tenure of the concession period, as per the concession agreement. The discount rate used for the purpose of computation of the concession revenue comprising revenue from construction contract require significant judgements. A change in the discount rate will directly affect the amount and timing of revenue recognised.

### 22. EMPLOYEE BENEFITS EXPENSE

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Wages, salaries and bonuses	33,844	34,892	905	1,156
Defined contribution plan	4,250	4,246	52	93
Other staff related expenses	5,097	3,857	307	395
	43,191	42,995	1,264	1,644

Included in employee benefits expense of the Group and of the Company are the Executive Directors' remuneration (excluding benefits-in-kind) amounting to RM3,037,000 (2021: RM3,574,000) and RMNil (2021: RM301,000) respectively. Further details are disclosed in Note 28 to the financial statements.

## Notes to the Financial Statements

## 23. FINANCE COSTS

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Tawarruq term loan interest	6,631	5,985	-	-
Revolving credit interest	7,706	6,883	-	-
Medium Term Notes interest	11,183	11,243	-	-
Senior Sukuk Murabahah interest	42,686	47,712	-	-
Sukuk Murabahah interest	778	-	-	-
Overdraft interest	96	165	-	-
Term loan interest	723	1,106	-	-
Cashline-I interest	486	797	-	-
Lease liabilities interest	393	412	-	-
Guarantee fees	3,152	6,309	-	-
Facility fee	264	398	-	-
Commitment fees	5	3	-	-
Bank charges	44	48	8	9
	74,147	81,061	8	9
Recognised in profit or loss	72,390	79,357	8	9
Capitalised in bearer biological assets (Note 6.1)	1,757	1,704	-	-
	74,147	81,061	8	9



## Notes to the Financial Statements

### 24. LOSS BEFORE TAX

Loss before tax from continuing operations is arrived at:

		Group		Company	
	Note	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
<b>After charging:</b>					
Auditors' remunerations	24.1	438	434	83	83
Short-term lease payment for:					
- buildings		890	696	-	-
Lease payment for low-value asset:					
- photocopier machine		295	290	-	-
Loss on disposal of investment properties		-	759	-	759
Realised foreign exchange loss (net)		55	4	-	-
Fair value loss on investment properties		7,250	-	-	-
<b>and after crediting:</b>					
Gain on disposal of property, plant and equipment		395	95	-	-
Fair value gain on investment properties		8,160	700	4,600	-
Gain on disposal of short-term investment		12	15	-	-
Fair value gain on short-term investment		117	337	117	337
Fair value gain on fresh fruit bunches	12	26	262	-	-
Finance income		5,583	6,093	643	985
Finance income charged on amount due from subsidiaries		-	-	6,949	6,321
Unrealised foreign exchange gain (net)		275	7	344	44
Amortisation of concession assets and liabilities	7	4,305	4,305	-	-

#### 24.1 Auditors' remunerations

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Grant Thornton Malaysia PLT				
- Statutory audit	311	311	60	60
- Other non-audit services	20	18	12	12
Other auditors				
- Statutory audit	89	87	6	6
- Other non-audit services	18	18	5	5
	438	434	83	83

## Notes to the Financial Statements

## 25. TAX (CREDIT)/EXPENSE

## Recognised in profit or loss

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Total income tax (credit)/expense	(4,455)	(3,885)	460	(108)
Major components of income tax expense include:				
Current income tax				
- Current financial year	7,537	7,944	-	-
- (Over)/Under provision in respect of prior years	(17)	96	-	-
	7,520	8,040	-	-
Deferred income tax (Note 10)				
- Origination and reversal of temporary differences	(3,971)	(17,358)	460	(108)
- (Over)/Under provision in respect of prior years	(8,004)	5,433	-	-
	(11,975)	(11,925)	460	(108)
Total income tax (credit)/expense	(4,455)	(3,885)	460	(108)

## Reconciliation of tax (credit)/expense

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Loss before tax	(23,686)	(15,070)	(15,381)	(11,855)
Taxation at Malaysian statutory tax rate of 24%	(5,685)	(3,617)	(3,691)	(2,845)
Income not subject to tax	(8,376)	(18,653)	(918)	(188)
Expenses not deductible for tax purposes	9,847	10,981	5,069	2,817
(Over)/Under provision of current tax expenses in prior years	(17)	96	-	-
(Over)/Under provision of deferred tax in prior years	(8,004)	5,433	-	-
Movement of deferred tax liabilities arising from disposal of investment properties	-	108	-	108
Movement of deferred tax assets not recognised	7,780	1,767	-	-
Income tax (credit)/expenses recognised in profit or loss	(4,455)	(3,885)	460	(108)

## Notes to the Financial Statements

### 26. OTHER COMPREHENSIVE INCOME

	2022			2021		
	Before tax RM'000	Tax expense RM'000	Net of tax RM'000	Before tax RM'000	Tax expense RM'000	Net of tax RM'000
<b>Items that are or may be reclassified subsequently to profit or loss</b>						
Foreign currency translation differences for foreign operations						
- Gain arising during the year	46	-	46	7	-	7
	46	-	46	7	-	7

### 27. LOSS PER ORDINARY SHARE

#### Basic loss per ordinary share

The calculation of basic loss per ordinary share for the year ended 31 December 2022 was based on the profit or loss attributable to ordinary shareholders and a weighted average number of ordinary shares outstanding, calculated as follows:

	Group	
	2022	2021
Loss attributable to ordinary shareholders (RM'000)	(15,900)	(9,049)
Weighted average number of ordinary shares ('000)	447,248	447,248
Basic loss per ordinary share (sen)	(3.56)	(2.02)

#### Diluted loss per ordinary share

The calculation of diluted loss per ordinary share at 31 December 2022 was based on profit or loss attributable to ordinary shareholders and weighted average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares.

The diluted loss per ordinary share has not been disclosed as it does not have dilutive potential ordinary shares.

## Notes to the Financial Statements

## 28. DIRECTORS' REMUNERATION

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
<b>Executive Directors:</b>				
Wages, salaries and bonuses	1,776	2,101	-	229
Defined contribution plan	490	539	-	39
Other emoluments	771	934	-	33
Total Executive Directors' remuneration (excluding benefits-in-kind)	3,037	3,574	-	301
Estimated money value of benefits-in-kind	129	144	25	27
Total Executive Directors' remuneration (including benefit-in-kind)	3,166	3,718	25	328
<b>Non-Executive Directors:</b>				
Other emoluments	563	543	563	543
Total Non-Executive Directors' remuneration (excluding benefits-in-kind)	563	543	563	543
Estimated money value of benefits-in-kind	15	14	15	14
Total Non-Executive Directors' remuneration (including benefit-in-kind)	578	557	578	557
Total Directors' remuneration (including benefits-in-kind)	3,744	4,275	603	885



## Notes to the Financial Statements

### 28. DIRECTORS' REMUNERATION (CONTINUED)

	Group			Company		
	Salaries and/or other emoluments* RM'000	Benefits- in-kind RM'000	Total RM'000	Salaries and/or other emoluments* RM'000	Benefits- in-kind RM'000	Total RM'000
<b>2022</b>						
<b>Executive Directors</b>						
Tan Sri Rozali bin Ismail	2,594	104	2,698	-	-	-
Azlan Shah bin Rozali	443	25	468	-	25	25
	3,037	129	3,166	-	25	25
<b>Non-Executive Directors</b>						
Dato' Sri Adenan bin Ab. Rahman	142	4	146	142	4	146
Prof Emeritus Datuk Dr Marimuthu A/L Nadason	110	3	113	110	3	113
Tengku Loreta binti Tengku Dato' Setia Ramli Alhaj	102	4	106	102	4	106
Noor Faiz bin Hassan	102	4	106	102	4	106
Datuk Sr Haji Johari bin Wahab	102	-	102	102	-	102
Tan Sri Dr Madinah binti Mohamad (Appointed on 1 December 2022)	5	-	5	5	-	5
	563	15	578	563	15	578
	3,600	144	3,744	563	40	603

\* Includes defined contribution plan and meeting allowances

## Notes to the Financial Statements

## 28. DIRECTORS' REMUNERATION (CONTINUED)

	Group			Company		
	Salaries and/or other emoluments* RM'000	Benefits- in-kind RM'000	Total RM'000	Salaries and/or other emoluments* RM'000	Benefits- in-kind RM'000	Total RM'000
<b>2021</b>						
<b>Executive Directors</b>						
Tan Sri Rozali bin Ismail	2,594	102	2,696	-	-	-
Azlan Shah bin Rozali	425	27	452	211	24	235
Dato' Abdul Jalil bin Abdul Karim	90	3	93	90	3	93
Faizal bin Othman	465	12	477	-	-	-
	3,574	144	3,718	301	27	328
<b>Non-Executive Directors</b>						
Dato' Sri Adenan bin Ab. Rahman	127	3	130	127	3	130
Prof Emeritus Datuk Dr Marimuthu A/L Nadason	111	3	114	111	3	114
Tengku Loreta binti Tengku Dato' Setia Ramli Alhaj	103	5	108	103	5	108
Noor Faiz bin Hassan	103	-	103	103	-	103
Datuk Sr Haji Johari bin Wahab	99	3	102	99	3	102
	543	14	557	543	14	557
	4,117	158	4,275	844	41	885

\* Includes defined contribution plan and meeting allowances

## Notes to the Financial Statements

### 29. OPERATING SEGMENTS

The Group has three reportable segments, as described below, which are the Group's strategic business units. The strategic business units offer different products and services, and are managed separately because they require different technology and marketing strategies. The following summary describes the continuing operations and discontinued operations in each of the Group's reportable segments:

- Construction Includes construction activities.
- Plantation Includes oil palm plantation activities.
- Concession Includes construction and maintenance related activities relating to the concession agreements between TRIplc, UiTM and the Government.

Other non-reportable segments comprise mainly investment holding and management-related activities.

Performance is measured based on segment profit before tax, as included in the internal management reports that are reviewed by the Board of Directors. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

#### Segment assets

The total of segment assets is measured based on all assets (including goodwill) of a segment, as included in the internal management reports that are reviewed by the Board of Directors. Segment total assets is used to measure the return on assets of each segment.

#### Segment liabilities

The total of segment liabilities is measured based on all liabilities of a segment as included in the internal management reports that are reviewed by the Board of Directors.

#### Segment capital expenditure

Segment capital expenditure is the total cost incurred during the financial year to acquire property, plant and equipment and other tangible assets.

## Notes to the Financial Statements

## 29. OPERATING SEGMENTS (CONTINUED)

	Construction			Plantation			Concession			Total	
	2022	2021	2020	2022	2021	2020	2022	2021	2020	2022	2021
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue from external customers	55,017	134,735	41,744	41,235	124,132	178,937	220,893	354,907			
Finance income	249	765	59	40	3,587	3,639	3,895	4,444			
Other income	-	2	397	267	222	33	619	302			
Fair value gain on fresh fruit bunches	-	-	26	262	-	-	26	262			
Operating expenses	55,266	135,502	42,226	41,804	127,941	182,609	225,433	359,915			
Reversal for foreseeable loss	(61,397)	(126,427)	(47,083)	(39,541)	(27,424)	(76,644)	(135,904)	(242,612)			
Depreciation and amortisation	4,177	381	-	-	-	-	4,177	381			
	(22)	(124)	(15,987)	(18,921)	(813)	(727)	(16,822)	(19,772)			
Segment results	(1,976)	9,332	(20,844)	(16,658)	99,704	105,238	76,884	97,912			
Finance costs	(3,692)	(2,821)	(13,735)	(11,414)	(65,493)	(73,527)	(82,920)	(87,762)			
<b>(Loss)/Profit before tax</b>	<b>(5,668)</b>	<b>6,511</b>	<b>(34,579)</b>	<b>(28,072)</b>	<b>34,211</b>	<b>31,711</b>	<b>(6,036)</b>	<b>10,150</b>			
<b>Assets and liabilities</b>											
<b>Segment assets</b>	<b>49,055</b>	<b>77,294</b>	<b>729,724</b>	<b>730,929</b>	<b>1,194,231</b>	<b>1,321,518</b>	<b>1,973,010</b>	<b>2,129,741</b>			
Included in the measure of segment assets are:											
Additions to non-current assets other than financial instruments and deferred tax assets	10	-	13,643	10,084	1,315	1,990	14,968	12,074			
<b>Segment liabilities</b>	<b>(274,891)</b>	<b>(297,304)</b>	<b>(384,167)</b>	<b>(350,783)</b>	<b>(1,022,217)</b>	<b>(1,113,163)</b>	<b>(1,681,275)</b>	<b>(1,761,250)</b>			

## Notes to the Financial Statements

### 29. OPERATING SEGMENTS (CONTINUED)

#### Reconciliations of reportable segment revenue, profit or loss, assets, liabilities and other material items

	2022 RM'000	2021 RM'000
<b>Profit or loss</b>		
Total profit or loss for reportable segments	(6,036)	10,150
Other non-reportable segments and elimination	(20,067)	(26,323)
Unallocated income	2,417	1,103
Loss before tax	(23,686)	(15,070)

	External revenue RM'000	Depreciation and amortisation RM'000	Finance cost RM'000	Finance income RM'000	Segment assets RM'000	Additions to non-current assets RM'000	Segment liabilities RM'000
<b>2022</b>							
Total reportable segments	220,893	(16,822)	(82,920)	3,895	1,973,010	14,968	(1,681,275)
Other non-reportable segments	35	(2,979)	3,581	8,766	2,051,134	14,480	(344,296)
Elimination of inter-segment transactions or balances	-	-	6,949	(6,949)	(1,110,787)	-	548,932
Unallocated assets	-	-	-	-	46,950	-	-
Unallocated liabilities	-	-	-	-	-	-	(166,443)
<b>Consolidated total</b>	<b>220,928</b>	<b>(19,801)</b>	<b>(72,390)</b>	<b>5,712</b>	<b>2,960,307</b>	<b>29,448</b>	<b>(1,643,082)</b>

#### 2021

Total reportable segments	354,907	(19,772)	(87,762)	4,444	2,129,741	12,074	(1,761,250)
Other non-reportable segments	96	(3,035)	2,084	8,375	2,015,586	622	(348,978)
Elimination of inter-segment transactions or balances	-	-	6,321	(6,321)	(1,098,174)	-	532,511
Unallocated assets	-	-	-	-	37,386	-	-
Unallocated liabilities	-	-	-	-	-	-	(170,412)
<b>Consolidated total</b>	<b>355,003</b>	<b>(22,807)</b>	<b>(79,357)</b>	<b>6,498</b>	<b>3,084,539</b>	<b>12,696</b>	<b>(1,748,129)</b>



## Notes to the Financial Statements

### 29. OPERATING SEGMENTS (CONTINUED)

#### Geographical segments

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of the customers while segment assets are based on the geographical location of the assets. The geographical location of the customers for segment revenue are disclosed in Note 21.1 to the financial statements. The amounts of non-current assets do not include financial instruments (including investment in associate) and deferred tax assets.

Geographical information	Group	
	External revenue RM'000	Non-current assets RM'000
<b>2022</b>		
Malaysia	220,928	1,632,601
<b>2021</b>		
Malaysia	355,003	1,624,107

#### Major customers

The following are major customers with revenue of more than 10% of the Group's total revenue:

	Revenue		Segment
	2022 RM'000	2021 RM'000	
All common control companies of:			
- Customer A	46,177	133,929	Construction
- Customer B	124,132	178,937	Concession
- Customer C	40,178	39,167	Plantation

## Notes to the Financial Statements

### 30. FINANCIAL INSTRUMENTS

#### 30.1 Categories of financial instruments

The table below provides an analysis of financial instruments as at 31 December 2022 categorised as follows:

- (a) Amortised cost ("AC")
- (b) Fair value through profit or loss ("FVTPL")
  - Designated upon initial recognition ("DUIR")

2022	Carrying amount RM'000	AC RM'000	FVTPL-DUIR RM'000
<b>Group</b>			
<b>Financial assets</b>			
Trade and other receivables	936,883	936,883	-
Short-term investments	59,088	54,016	5,072
Cash and cash equivalents	194,693	194,693	-
	1,190,664	1,185,592	5,072
<b>Financial liabilities</b>			
Trade and other payables	(162,057)	(162,057)	-
Loans and borrowings	(1,168,636)	(1,168,636)	-
	(1,330,693)	(1,330,693)	-
<b>Company</b>			
<b>Financial assets</b>			
Other receivables	192,867	192,867	-
Short-term investments	5,072	-	5,072
Cash and cash equivalents	31,475	31,475	-
	229,414	224,342	5,072
<b>Financial liability</b>			
Other payables	(8,669)	(8,669)	-

## Notes to the Financial Statements

## 30. FINANCIAL INSTRUMENTS (CONTINUED)

## 30.1 Categories of financial instruments (continued)

The table below provides an analysis of financial instruments as at 31 December 2021 categorised as follows:

- (a) Amortised cost ("AC")
- (b) Fair value through profit or loss ("FVTPL")
  - Designated upon initial recognition ("DUIR")

2021	Carrying amount RM'000	AC RM'000	FVTPL-DUIR RM'000
<b>Group</b>			
<b>Financial assets</b>			
Trade and other receivables	1,002,493	1,002,493	-
Short-term investments	95,007	83,970	11,037
Cash and cash equivalents	243,283	243,283	-
	1,340,783	1,329,746	11,037
<b>Financial liabilities</b>			
Trade and other payables	(195,620)	(195,620)	-
Loans and borrowings	(1,224,704)	(1,224,704)	-
	(1,420,324)	(1,420,324)	-
<b>Company</b>			
<b>Financial assets</b>			
Other receivables	180,773	180,773	-
Short-term investments	10,157	-	10,157
Cash and cash equivalents	57,744	57,744	-
	248,674	238,517	10,157
<b>Financial liability</b>			
Other payables	(7,868)	(7,868)	-

## Notes to the Financial Statements

### 30. FINANCIAL INSTRUMENTS (CONTINUED)

#### 30.2 Net gains/(losses) arising from financial instruments

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
<b>Net gains/(losses) on:</b>				
Financial assets at fair value through profit or loss:				
<i>Designated upon initial recognition</i>	129	352	117	337
Financial assets at amortised cost	7,648	5,471	(4,369)	7,235
Financial liabilities at amortised cost	(72,341)	(79,306)	-	-
	(64,564)	(73,483)	(4,252)	7,572

#### 30.3 Financial risk management

The Group and the Company have exposure to the following risks from their use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

The Board of Directors regularly reviews and agrees on policies and procedures for the management of these risks.

The following sections provide details on the Group's and the Company's exposure to the abovementioned financial risks and the objectives and policies for the management of these risks.

#### 30.4 Credit risk

Credit risk is the risk of a financial loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk arises principally from its receivables from customers, short-term investments and cash and cash equivalents.

The Company's exposure to credit risk arises primarily from loans and advances to subsidiaries, financial guarantees given to banks for credit facilities granted to subsidiaries, short-term investments and cash and cash equivalents. There are no significant changes as compared to prior periods.

## Notes to the Financial Statements

### 30. FINANCIAL INSTRUMENTS (CONTINUED)

#### 30.4 Credit risk (continued)

##### 30.4.1 Trade receivables and contract assets

###### *Risk management objectives, policies and processes for managing the risk*

The Group manages its credit risk by establishing credit controls with the view to ensuring that overdue debts are within an acceptable level. For other financial assets, the Group minimises credit risk by dealing exclusively with high credit rating counterparties.

At each reporting date, the Group assesses whether any of the trade receivables and contract assets are credit impaired.

The gross carrying amounts of credit impaired trade receivables and contract assets are written off when there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. Nevertheless, trade receivables and contract assets that are written off could still be subject to enforcement activities.

There are no significant changes as compared to previous year.

###### *Credit risk concentration profile*

At the reporting date, the Group's trade receivables were mainly due from four (2021: four) customers.

###### *Exposure to credit risk, credit quality and collateral*

As at the end of the reporting period, the maximum exposure to credit risk arising from trade receivables and contract assets are represented by the carrying amounts in the statement of financial position.

###### *Recognition and measurement of impairment losses*

In managing credit risk of trade receivables, the Group manages its debtors and takes appropriate actions (including but not limited to legal actions) to recover long overdue balances. Generally, trade receivables will pay within 30-60 days.

The Group uses an allowance matrix to measure ECLs of trade receivables for all segments except for construction and concession segment. Consistent with the debt recovery process, invoices which are past due 90 days will be considered as credit impaired.

Management has taken reasonable steps to ensure that trade receivables and contract assets that are neither past due nor impaired are stated at their recoverable values. A significant portion of these trade receivables and contract assets are arising from a few individual customers. The Group assessed the risk of loss of each customer individually based on their financial information, past trend of payments and external credit ratings, where applicable. All of these customers have low risk of default.



## Notes to the Financial Statements

### 30. FINANCIAL INSTRUMENTS (CONTINUED)

#### 30.4 Credit risk (continued)

##### 30.4.1 Trade receivables and contract assets (continued)

*Recognition and measurement of impairment losses (continued)*

The following table provides information about the exposure to credit risk and ECLs for trade receivables and contract assets as at 31 December 2022 which are grouped together as they are expected to have similar risk nature.

Group	2022			2021		
	Gross carrying amount RM'000	Net remeasurement of loss allowance RM'000	Net balance RM'000	Gross carrying amount RM'000	Net remeasurement of loss allowance RM'000	Net balance RM'000
Unbilled	919,272	(9,426)	909,846	937,757	(7,420)	930,337
Not past due	6,785	(35)	6,750	29,986	(2,544)	27,442
1-30 days past due	3,541	(36)	3,505	6,388	-	6,388
	929,598	(9,497)	920,101	974,131	(9,964)	964,167
<b>Credit impaired</b>						
More than 90 days past due	337	(66)	271	321	(65)	256
Individually impaired	8,827	(8,827)	-	10,328	(10,328)	-
	938,762	(18,390)	920,372	984,780	(20,357)	964,423
Trade receivables	920,417	(9,856)	910,561	968,967	(10,067)	958,900
Advances to subcontractors	13,248	(8,452)	4,796	15,048	(10,252)	4,796
Contract assets	5,097	(82)	5,015	765	(38)	727
	938,762	(18,390)	920,372	984,780	(20,357)	964,423

The movements in the allowance for impairment in respect of trade receivables and contract assets during the year are shown below.

Group	Trade Receivables		Contract assets RM'000	Total RM'000
	Lifetime ECL RM'000	Credit impaired RM'000		
Balance at 1 January 2021	9,242	10,424	128	19,794
Net remeasurement of loss allowance	684	(31)	(90)	563
Balance at 31 December 2021	9,926	10,393	38	20,357
Net remeasurement of loss allowance	(511)	(1,500)	44	(1,967)
Balance at 31 December 2022	9,415	8,893	82	18,390

## Notes to the Financial Statements

### 30. FINANCIAL INSTRUMENTS (CONTINUED)

#### 30.4 Credit risk (continued)

##### 30.4.2 Short-term investments

Investments are allowed only in liquid securities and only with counterparties that have a credit rating equal to or better than the Group.

As at the end of the reporting period, the Group and the Company have only invested in unit trust and cash fund. The maximum exposure to credit risk is represented by the carrying amounts in the statement of financial position.

There is no history of default on the unit trust and cash fund and there are no indicators that these fund may default. The Group and the Company are of the view that the loss allowance is not material and hence, it is not provided for.

##### 30.4.3 Cash and cash equivalents

Cash and cash equivalents are placed with financial institutions which are regulated.

As at the end of the reporting period, the maximum exposure to credit risk of the Group and of the Company are represented by the carrying amounts in the statements of financial position.

These banks and financial institutions have low credit risks. Consequently, the Group and the Company are of the view that the loss allowance is not material and hence, it is not provided for.

##### 30.4.4 Other receivables

*Risk management objectives, policies and processes for managing the risk*

Credit risks on non-current other receivables are mainly arising from receivables from contract with customer which represents financial assets from the concession agreements for the UiTM project.

Credit risks on current other receivables are mainly on sundry debtors and deposits paid.

Expected credit loss of other receivables is determined individually after considering the financial strength of the other receivables.

*Exposure to credit risk, credit quality and collateral*

As at the end of the reporting period, the maximum exposure to credit risk are represented by their carrying amounts in the statements of financial position.

*Recognition and measurement of impairment loss*

In managing credit risk of other receivables, the Group and the Company manage their sundry debtors and take appropriate actions (including but not limited to legal actions) to recover long overdue balances.

## Notes to the Financial Statements

### 30. FINANCIAL INSTRUMENTS (CONTINUED)

#### 30.4 Credit risk (continued)

##### 30.4.4 Other receivables (continued)

The movements in the allowance for impairment in respect of other receivables during the year are shown below:

Group	Lifetime ECL Other receivables RM'000
Balance at 1 January 2021	7,843
Net remeasurement of loss allowance	11
Balance at 31 December 2021	<b>7,854</b>
Net remeasurement of loss allowance	<b>(142)</b>
Balance at 31 December 2022	<b>7,712</b>
<b>Company</b>	
Balance at 1 January 2021	27
Net remeasurement of loss allowance	4
Balance at 31 December 2021	<b>31</b>
Net remeasurement of loss allowance	<b>(22)</b>
Balance at 31 December 2022	<b>9</b>

##### 30.4.5 Inter-company loans and advances

*Risk management objectives, policies and processes for managing the risk*

The Company provides unsecured loans and advances to the subsidiaries. The Company monitors the results of the subsidiaries regularly.

*Exposure to credit risk, credit quality and collateral*

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

Loans and advances are not secured by any collateral or supported by any other credit enhancements.

*Recognition and measurement of impairment loss*

The Company assumes that there is a significant increase in credit risk when a subsidiary's financial position deteriorates significantly. As the Company is able to determine the timing of payments of the subsidiaries' loans and advances when they are payable, the Company considers the loans and advances to be in default when the subsidiaries are not able to pay when demanded. The Company considers a subsidiary's loan or advance to be credit impaired when:

- the subsidiary is unlikely to repay its loan or advance to the Company in full; or/and
- the subsidiary is continuously loss making and is having a deficit shareholders' fund.

## Notes to the Financial Statements

## 30. FINANCIAL INSTRUMENTS (CONTINUED)

## 30.4 Credit risk (continued)

## 30.4.5 Inter-company loans and advances (continued)

*Recognition and measurement of impairment loss (continued)*

The Company determines the probability of default for these loans and advances individually using internal information available.

The following table provides information about the exposure to credit risk and ECLs for the subsidiaries' loans and advances as at 31 December 2022:

Company	Gross carrying amount RM'000	Impairment loss allowance RM'000	Net balance RM'000
<b>2022</b>			
Low credit risk	582	-	582
Significant increase in credit risk	194,018	(2,235)	191,783
Credit impaired	347,320	(347,302)	18
	<b>541,920</b>	<b>(349,537)</b>	<b>192,383</b>
<b>2021</b>			
Low credit risk	551	-	551
Significant increase in credit risk	172,788	(2,027)	170,761
Credit impaired	344,393	(335,535)	8,858
	<b>517,732</b>	<b>(337,562)</b>	<b>180,170</b>

The movement in the allowance for impairment in respect of the subsidiaries' loans and advances during the year is as follows:

Company	Lifetime ECL RM'000	Credit Impaired RM'000	Total RM'000
Balance at 1 January 2021	1,969	335,535	337,504
Net remeasurement of loss allowance	58	-	58
Balance at 31 December 2021	<b>2,027</b>	<b>335,535</b>	<b>337,562</b>
Net remeasurement of loss allowance	<b>208</b>	<b>11,767</b>	<b>11,975</b>
Balance at 31 December 2022	<b>2,235</b>	<b>347,302</b>	<b>349,537</b>

The significant increase in net measurement of loss allowance during the year is primarily due to a subsidiary in the construction segment where the subsidiary is continuously loss making and is having a deficit shareholder's fund. The subsidiary is unlikely to repay its loan and advance to the Company.

## Notes to the Financial Statements

### 30. FINANCIAL INSTRUMENTS (CONTINUED)

#### 30.4 Credit risk (continued)

##### 30.4.6 Financial guarantees

###### *Risk management objectives, policies and processes for managing the risk*

The Company provides financial guarantees to banks in respect of banking facilities granted to certain subsidiaries. The Company monitors on an ongoing basis the results of the subsidiaries and repayments made by the subsidiaries.

###### *Exposure to credit risk, credit quality and collateral*

The maximum exposure to credit risk amounts to RM700,232,000 (2021: RM712,894,000) representing the outstanding banking facilities of the subsidiaries as at the end of the reporting period which are guaranteed by the Company.

The financial guarantees are provided as credit enhancements to the subsidiaries' secured loans.

###### *Recognition and measurement of impairment loss*

The Company assumes that there is a significant increase in credit risk when a subsidiary's financial position deteriorates significantly. The Company considers a financial guarantee to be credit impaired when:

- the subsidiary is unlikely to repay its credit obligation to the bank in full; or/and
- the subsidiary is continuously loss making and is having a deficit shareholders' fund.

The Company determines the probability of default of the guaranteed loans individually using internal information available. As at the end of the reporting period, there was no indication that any subsidiary would default on repayment.

#### 30.5 Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's exposure to liquidity risk arise principally from its various payables, loans and borrowings.

The Group manages liquidity risk by establishing budget with the view to ensure sufficient bank balances and have sufficient liquidity to meet its liabilities when they fall due. In addition, the Group negotiates with financial institutions to reschedule and/or restructure the existing credit facilities to coincide with the present operating environment.

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.



## Notes to the Financial Statements

## 30. FINANCIAL INSTRUMENTS (CONTINUED)

## 30.5 Liquidity risk (continued)

*Maturity analysis*

The table below summarises the maturity profile of the Group's and the Company's financial liabilities as at the end of the reporting period based on undiscounted contractual payments:

Group	Carrying amount RM'000	Contractual interest rate/coupon	Contractual cash flows RM'000	On demand or within one year RM'000	One to five years RM'000	Over five years RM'000
<b>2022</b>						
<b>Financial liabilities</b>						
Tawarruq term loan	128,483	4.75% - 5.80%	176,310	9,469	54,608	112,233
Revolving credit facility	150,000	4.75% - 5.80%	150,000	150,000	-	-
Medium Term Notes	267,001	3.00% - 6.70%	348,720	33,227	143,086	172,407
Senior Sukuk Murabahah	582,527	4.75% - 5.90%	838,836	71,643	338,260	428,933
Sukuk Murabahah	40,600	4.80% - 5.70%	58,766	2,334	10,238	46,194
Bank overdraft	25	6.57% - 7.57%	25	25	-	-
Lease liabilities	6,562	2.43% - 4.52%	7,025	3,966	3,059	-
Trade and other payables	162,057	-	162,057	162,057	-	-
Total undiscounted financial liabilities	1,337,255		1,741,739	432,721	549,251	759,767
<b>2021</b>						
<b>Financial liabilities</b>						
Tawarruq term loan	130,883	4.25% - 4.75%	177,980	8,564	42,410	127,006
Revolving credit facility	150,000	4.25% - 4.75%	150,000	150,000	-	-
Medium Term Notes	291,353	3.00% - 6.70%	383,308	34,588	119,456	229,264
Senior Sukuk Murabahah	620,120	4.75% - 5.90%	912,358	73,522	343,295	495,541
Bank overdraft	2,618	6.57%	2,618	2,618	-	-
Term loan	17,252	5.43% - 5.48%	22,252	3,750	18,502	-
Cashline-I	12,478	6.39%	12,478	12,478	-	-
Lease liabilities	8,881	2.51% - 4.52%	9,811	3,750	6,061	-
Trade and other payables	195,620	-	195,620	195,620	-	-
Total undiscounted financial liabilities	1,429,205		1,866,425	484,890	529,724	851,811

## Notes to the Financial Statements

### 30. FINANCIAL INSTRUMENTS (CONTINUED)

#### 30.5 Liquidity risk (continued)

*Maturity analysis (continued)*

The table below summarises the maturity profile of the Group's and the Company's financial liabilities as at the end of the reporting period based on undiscounted contractual payments (continued):

Company	Carrying amount RM'000	Contractual interest rate/coupon	Contractual cash flows RM'000	On demand or within one year RM'000
<b>2022</b>				
<b>Financial liability</b>				
Other payables	8,669	-	8,669	8,669
Total undiscounted financial liability	8,669		8,669	8,669
Financial guarantees (Note 30.4.6)	-		700,232	700,232
<b>2021</b>				
<b>Financial liability</b>				
Other payables	7,868	-	7,868	7,868
Total undiscounted financial liability	7,868		7,868	7,868
Financial guarantees (Note 30.4.6)	-		712,894	712,894

## Notes to the Financial Statements

### 30. FINANCIAL INSTRUMENTS (CONTINUED)

#### 30.6 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and other prices that will affect the Group's and the Company's financial position or cash flows.

##### 30.6.1 Currency risk

The Group is exposed to various currencies, mainly USD and SGD. Foreign currency denominated assets and liabilities together with expected cash flows from expenses, give rise to foreign exchange exposures.

*Risk management objectives, policies and processes for managing the risk*

Foreign exchange exposures in transactional currencies other than functional currencies of the operating entities are kept to an acceptable level.

*Exposure to foreign currency risk*

The Group's and Company's exposure to foreign currency (a currency which is other than the functional currencies of the Group entities) risk, based on carrying amounts as at the end of the reporting period was:

	Denominated in	
	USD RM'000	SGD RM'000
<b>Group</b>		
<b>As at 31 December 2022</b>		
Cash and cash equivalents	142	185
Trade and other payables	(7)	(67)
	135	118
<b>As at 31 December 2021</b>		
Cash and cash equivalents	525	10,888
Trade and other receivables	8	-
Trade and other payables	(6)	(63)
	527	10,825
<b>Company</b>		
<b>As at 31 December 2022</b>		
Cash and cash equivalents	128	185
<b>As at 31 December 2021</b>		
Cash and cash equivalents	134	10,867

*Currency risk sensitivity analysis*

Foreign currency risk arises from Group entities which have a RM functional currency. The exposure to currency risk of Group entities which do not have a RM functional currency is not material and hence, sensitivity analysis is not presented.

## Notes to the Financial Statements

### 30. FINANCIAL INSTRUMENTS (CONTINUED)

#### 30.6 Market risk (continued)

##### 30.6.2 Interest rate risk

*Risk management objectives, policies and processes for managing the risk*

The Group's and the Company's investments in fixed deposits and its fixed rate borrowings are exposed to a risk of change in their fair value due to changes in interest rates. The Group's variable rate borrowings and receivables are exposed to a risk of change in cash flows due to changes in interest rates. Investments in short-term receivables and payables are not significantly exposed to interest rate risk.

The Company's loans and advances to subsidiaries are exposed to a risk of change in cash flows due to changes in interest rates charged. Short-term loans and advances to subsidiaries are not significantly exposed to interest rate risk.

*Exposure to interest rate risk*

The interest rate profile of the Group's and the Company's significant interest-bearing financial instruments, based on carrying amounts as at the end of the reporting period was:

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
<b>Fixed rate instruments</b>				
Financial assets	164,686	210,049	25,365	44,487
Financial liabilities	(896,690)	(920,354)	-	-
	(732,004)	(710,305)	25,365	44,487
<b>Floating rate instruments</b>				
Financial assets	5,072	11,037	5,072	10,157
Financial liabilities	(278,508)	(313,231)	-	-
	(273,436)	(302,194)	5,072	10,157

The Group's and the Company's income and operating cash flows on fixed interest rate instruments are substantially independent on changes in market interest rates.

## Notes to the Financial Statements

### 30. FINANCIAL INSTRUMENTS (CONTINUED)

#### 30.6 Market risk (continued)

##### 30.6.2 Interest rate risk (continued)

###### *Fair value sensitivity analysis for fixed rate instruments*

The Group and the Company do not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

###### *Cash flow sensitivity analysis for variable rates instruments*

At the reporting date, if interest rates had been 100 basis points higher, with all other variables held constant, the Group's pre-tax loss would have been higher by the amount of RM2,734,000 (2021: RM3,022,000) and the Company's pre-tax loss would have been lower by the amount of RM51,000 (2021: RM102,000). If the interest rates had been 100 basis points lower, with all other variables held constant, the Group's pre-tax loss would have had equal but opposite effect.

#### 30.7 Fair value information

The carrying amounts of cash and cash equivalents, short-term receivables and payables and short-term borrowings reasonably approximate fair values due to the relatively short-term nature of these financial instruments.

The following are the analyses of the carrying amount and fair value of those financial instruments not carried at fair value. These fair values are categorised under Level 3 of the fair value hierarchy.

Group	Carrying amount 2022 RM'000	Fair value 2022 RM'000	Carrying amount 2021 RM'000	Fair value 2021 RM'000
<b>Financial liabilities</b>				
Loans and borrowings				
- Tawarruq term loan	(128,483)	(128,483)	(130,883)	(130,883)
- Revolving credit facility	(150,000)	(150,000)	(150,000)	(150,000)
- Medium Term Notes	(267,001)	(267,001)	(291,353)	(291,353)
- Senior Sukuk Murabahah	(582,527)	(582,527)	(620,120)	(620,120)
- Sukuk Murabahah	(40,600)	(40,600)	-	-
- Bank overdraft	(25)	(25)	(2,618)	(2,618)
- Term loan	-	-	(17,252)	(17,252)
- Cashline-l	-	-	(12,478)	(12,478)

Short-term investments (comprise of unit trust and cash fund) of the Group amounted to RM5,072,000 (2021: RM11,037,000) while short-term investments of the Company amounted to RM5,072,000 (2021: RM10,157,000). These short-term investments which are carried at fair value are categorised under Level 2 of the fair value hierarchy.

Fair values of financial guarantees of the Company amounted to RM700,232,000 (2021: RM712,894,000) are not expected to be material due to low credit risk exposure.



## Notes to the Financial Statements

### 30. FINANCIAL INSTRUMENTS (CONTINUED)

#### 30.7 Fair value information (continued)

##### Level 1 fair value

Level 1 fair value is derived from quoted price (unadjusted) in active markets for identical financial assets or liabilities that the entity can access at the measurement date.

##### Level 2 fair value

Level 2 fair value is estimated using inputs other than quoted prices included within Level 1 that are observable for the financial assets or liabilities, either directly or indirectly.

##### *Transfer between Level 1 and Level 2 fair values*

There has been no transfer between Level 1 and Level 2 fair values during the financial year (2021: no transfer in either direction).

##### Level 3 fair value

The following table shows the valuation techniques used in the determination of fair values within Level 3, as well as the key unobservable inputs used in the valuation methods.

##### Financial instruments not carried at fair value

Type	Description of valuation technique and inputs used
Loans and borrowings	Discounted cash flows using rates based on the current market rate of borrowings of the respective Group entities at the reporting date.
Financial guarantees	Probability weighted discounted cash flows taking into account the likelihood of the guaranteed party defaulting and the estimated loss exposure if the party guaranteed were to default.

### 31. CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to support the Group's growth strategy and maximise shareholder value with optimal capital structure.

The Group and the Company are not subject to externally imposed capital requirements other than the financial covenant as disclosed in Note 18 to the financial statements.

The Group manages capital using a gearing ratio, which is net debt divided by total capital being the equity attributable to equity holders of the Group plus net debt. Included within net debts of the Group are loans and borrowings.

At year end, the Group has a net debt of RM1,175,198,000 (2021: RM1,233,585,000) and a total capital of RM2,467,819,000 (2021: RM2,542,060,000) giving rise to a gearing ratio of approximately 48% (2021: 49%).

There was no change in the Group's approach to capital management during the financial year.

## Notes to the Financial Statements

### 32. CAPITAL AND OTHER COMMITMENTS

Capital expenditure as at the reporting date is as follows:

	Group	
	2022 RM'000	2021 RM'000
<b>Contracts approved and contracted for</b>		
- Property, plant and equipment	2,619	10,541
- Bearer biological assets	252	252
	<b>2,871</b>	<b>10,793</b>

### 33. RELATED PARTIES

#### Identity of related parties

For the purposes of these financial statements, parties are considered to be related to the Group if the Group or the Company has the ability, directly or indirectly, to control or jointly control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group or the Company and the party are subject to common control. Related parties may be individuals or other entities.

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. Key management personnel include all the Directors of the Group, and certain members of senior management of the Group.

The Group has related party relationship with its holding companies, significant investors, subsidiaries, associates and key management personnel.

#### Significant related party transactions

Related party transactions have been entered into in the normal course of business under normal trade terms. The significant related party transactions of the Group and the Company are shown below. Information regarding outstanding balances arising from related party transactions are disclosed in Notes 14 and 19 to the financial statements.

## Notes to the Financial Statements

### 33. RELATED PARTIES (CONTINUED)

#### Significant related party transactions (continued)

##### A. Directors-related corporation

	Group	
	2022 RM'000	2021 RM'000
<b>Acquisition of Land</b>		
- Puncak Alam Housing Sdn Bhd		
Deposit paid	-	1,100
Balance cost of investment property acquired	9,900	-

#### Acquisition of Land

On 23 July 2021, the Board of Directors of the Company announced that PNMSSB, a wholly-owned subsidiary of the Company entered into a sale and purchase agreement pertaining to a related party transaction with Puncak Alam Housing Sdn Bhd to acquire three (3) adjoining plots of vacant building land designated for commercial use with 99 years leasehold expiring on 12 April 2109 located along Persiaran Puncak Alam 4, Bandar Puncak Alam, Ijok, Kuala Selangor, Selangor Darul Ehsan for a total cash consideration of RM11,000,000 only.

The transaction has been completed on 16 March 2022 upon fulfilment of the conditions precedent of the sale and purchase agreement dated 23 July 2021.

##### B. Subsidiaries

	Company	
	2022 RM'000	2021 RM'000
Dividend income (Note 21)	680	-
Interest income charged on amount due from subsidiaries	6,949	6,321
Management fees charged by PNMSSB	(11,774)	(11,247)

##### C. Key management personnel

	Note	Group		Company	
		2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Employee benefits		5,245	5,582	-	229
Defined contribution plan		1,012	1,021	-	39
Other staff related expenses		1,563	1,670	563	576
Estimated money value of benefits-in-kind		278	297	40	41
		8,098	8,570	603	885
Included in the total key management personnel are:					
Directors' remuneration	28	3,744	4,275	603	885

## Notes to the Financial Statements

### 33. RELATED PARTIES (CONTINUED)

#### Significant related party transactions (continued)

#### C. Key management personnel (continued)

The top five senior management's remuneration in bands of RM50,000 for the current and the previous financial year are as follows:

Range of remuneration	Tan Sri Rozali bin Ismail	Tan Bee Lian	Wong Ley Chan	Azlan Shah bin Rozali	Faridatulzakiah binti Mohd Bakhry
<b>2022</b>					
RM450,001 to RM500,000				√	√
RM500,001 to RM550,000			√		
RM700,001 to RM750,000		√			
RM2,650,001 to RM2,700,000	√				

Range of remuneration	Tan Sri Rozali bin Ismail	Tan Bee Lian	Wong Ley Chan	Faizal bin Othman	Faridatulzakiah binti Mohd Bakhry
<b>2021</b>					
RM450,001 to RM500,000				√	√
RM600,001 to RM650,000			√		
RM700,001 to RM750,000		√			
RM2,650,001 to RM2,700,000	√				

### 34. SIGNIFICANT EVENTS

#### Significant events during the financial year

#### (I) Agreement between UiTM and TMSB to supply additional medical equipment for Hospital Al-Sultan Abdullah UiTM

On 25 October 2022, TMSB entered into an agreement with Universiti Teknologi MARA ("UiTM") for UiTM to appoint TMSB as the Contractor to supply additional medical equipment for Hospital Al-Sultan Abdullah UiTM under "RT(PFI.5/9)T.HOSP Perjanjian Kontrak Cadangan Pembangunan Zon 1 Fasa 3 Hospital Pengajar Dan Pusat Akademik Perubatan UiTM, Kampus Puncak Alam, Selangor Darul Ehsan - Perolehan Peralatan Tambahan Bagi Hospital Pengajar Dan Kompleks Akademik Perubatan Di UiTM Kampus Puncak Alam, Selangor Darul Ehsan" at a Contract Sum of RM44,135,698.08.

#### (II) Extension of time No. 4 ("EoT No. 4") for D44 Project

Jabatan Perkhidmatan Pembetungan under Kementerian Sumber Asli, Alam Sekitar Dan Perubahan Iklim ("JPP"), had vide its letter dated 10 June 2022, granted EoT No. 4 from 7 June 2022 to 1 March 2023 for PNCSB to complete the D44 Project.

#### (III) Extension of time No. 2 ("EoT No. 2") for Projek Pembinaan Loji Rawatan Kumbahan Serantau Dan Rangkaian Paip Pembetungan Di Bandar Kuantan, Pahang (Reka Dan Bina) ("Kuantan Project")

PNCSB had on 19 May 2022 entered into a Fourth Supplemental Agreement with Jalur Cahaya Sdn Bhd ("JCSB") in respect of the Kuantan Project whereby the Main Contractor had granted EoT No. 2 to PNCSB due to the 2021 Movement Control Order ("MCO") imposed by the Government of Malaysia and changes to the energy utility company, Tenaga Nasional Berhad's Guidelines and accordingly, the Completion Date of the Kuantan Project has been revised from 13 June 2022 to 4 April 2023.

## Notes to the Financial Statements

### 34. SIGNIFICANT EVENTS (CONTINUED)

#### Significant events subsequent to the financial year

##### (IV) Extension of time No. 5 (“EoT No. 5”) for D44 Project

JPP had vide its letter dated 21 February 2023, granted EoT No. 5 from 1 March 2023 to 22 November 2023 for PNCSB to complete the D44 Project.

##### (V) Sub-Contract Agreement dated 28 March 2023 between PNCSB and JCSB in relation to PNCSB’s appointment as Principal Sub-Contractor for a project known as “Program Penggantian Paip Lama Bagi Tahun 2020 Di Negeri Johor Pakej 2 – Daerah Johor Bahru, Kulai, Pontian, Kota Tinggi & Mersing” (“Johor Project”) (“Sub-Contract Agreement”)

PNCSB had on 28 March 2023 entered into a Sub-Contract Agreement with JCSB on PNCSB’s appointment as the Principal Sub-Contractor by JCSB for the Johor Project at a sub-contract sum of RM82,857,328.90 in accordance with the terms and conditions as stipulated in the Sub-Contract Agreement.

##### (VI) Extension of time No. 3 (“EoT No. 3”) for Kuantan Project

PNCSB had on 30 March 2023 obtained EoT No. 3 from 4 April 2023 to 13 January 2024 to complete the Kuantan Project from JCSB.

### 35. MATERIAL LITIGATIONS

#### (I) KHEC

##### (i) The First Arbitration Proceedings

KHEC, a sub-contractor for the Chennai Water Supply Augmentation Project 1 - Package III (“Chennai Project”), had initially referred certain disputed claims totalling Rs8,44,26,981 (equivalent to approximately RM6.75 million) against PNHB-LANCO-KHEC JV (“the Consortium”), a jointly controlled entity of the Company in India.

Arising from the arbitration proceedings initiated by KHEC, both KHEC and the Consortium had each appointed a qualified civil engineer as their arbitrator respectively, and both arbitrators had selected a retired Judge of the High Court in Chennai, India as the third arbitrator who will also act as the presiding arbitrator of the arbitral tribunal. The arbitral tribunal was officially constituted on 24 September 2005.

On 28 September 2005, the Company was informed that the arbitral tribunal had fixed the following dates for the filing of the arbitration cause papers as part of the preliminary procedural formalities:

- (i) claim by the claimant, KHEC to be filed before 4 October 2005;
- (ii) rejoinder by the respondent, the Consortium to be filed before 18 November 2005; and
- (iii) reply rejoinder by the claimant, KHEC to be filed before 5 December 2005.

The Consortium had on 2 January 2006, filed its counter-claim amounting to Rs13,61,61,931 (equivalent to approximately RM10.89 million) against KHEC’s claim of Rs8,44,26,981 (equivalent to approximately RM6.75 million) to the arbitral tribunal in India.

The Statement of Claim lodged by KHEC was subsequently revised from Rs8,44,26,981 (equivalent to approximately RM6.75 million) to Rs9,84,58,245 (equivalent to approximately RM7.88 million) whilst the counter-claim submitted by the Consortium, was also revised as per the rejoinder, from Rs13,61,61,931 (equivalent to approximately RM10.89 million) to Rs13,63,39,505 (equivalent to approximately RM10.91 million).



## Notes to the Financial Statements

### 35. MATERIAL LITIGATIONS (CONTINUED)

#### (I) KHEC (continued)

##### (i) The First Arbitration Proceedings (continued)

The Company was notified on 4 March 2009 by solicitors acting on behalf of Consortium that the Arbitration Panel had at its meeting held on 26 February 2009 accepted the letter of withdrawal from the Arbitration Panel dated 18 February 2009 from the arbitrator nominated by KHEC. As such, the date for further meeting of the Arbitration Panel was to be communicated after the appointment of the substitute arbitrator to be nominated by KHEC under Section 15(2) of the Arbitration and Conciliation Act, 1996 of India.

The Company was notified on 25 June 2009 that the first sitting of the newly formed Arbitration Panel for the First Arbitration Proceedings comprising the Presiding Arbitrator, the arbitrator nominated by the Consortium and the substitute arbitrator nominated by KHEC was held on 20 June 2009.

The continued hearing date for the First Arbitration Proceedings were fixed on 31 August 2013, 28 September 2013 and 29 September 2013, 9 November 2013 and 10 November 2013.

At the hearing held on 10 November 2013, the Arbitration Panel tentatively fixed the continued hearing of the First Arbitration Proceedings on 4 January 2014 and 5 January 2014.

The continued hearing tentatively scheduled on 4 January 2014 and 5 January 2014 did not proceed as scheduled.

On 29 January 2014, the Arbitration Panel fixed the continued hearing of the First Arbitration Proceedings on 8 February 2014 and 9 February 2014, respectively.

The continued hearing proceeded on 8 February 2014 but the hearing date of 9 February 2014 was vacated due to non-availability of the Chief Arbitrator. The Arbitration Panel fixed the continued hearing dates for the First Arbitration Proceedings on 29 May 2014 and 30 May 2014.

The hearing for the First Arbitration Proceedings fixed on 29 May 2014 and 30 May 2014 did not proceed as scheduled and was fixed by the Arbitration Panel on 4 July 2014 to be fixed on 16 August 2014 and 17 August 2014.

The hearing of the First Arbitration Proceedings fixed on 16 August 2014 and 17 August 2014 proceeded as scheduled.

The Arbitration Panel tentatively fixed the next continued hearing dates on 24 October 2014 and 25 October 2014 which proceeded as scheduled.

On 17 November 2014, the Arbitration Panel fixed the continued hearing dates for the First Arbitration Proceedings on 6 and 7 December 2014 respectively.

On 26 November 2014, the Arbitration Panel rescheduled the continued hearing dates for the First Arbitration Proceedings originally scheduled on 6 December 2014 and 7 December 2014 to 24 January 2015 and 25 January 2015, respectively.

On 7 January 2015, the Arbitration Panel postponed the continued hearing dates for the First Arbitration Proceedings originally scheduled on 24 January 2015 and 25 January 2015.

On 14 December 2015, the counsel of the Consortium notified the Presiding Arbitrator that the Arbitrator in charge was unable to continue as Arbitrator in view of his continued ill-health. An alternative Arbitrator will be appointed in due course.

On 3 March 2016, the name of the replacement Arbitrator was submitted by the counsel of the Consortium to the Panel for consideration and decision.

## Notes to the Financial Statements

### 35. MATERIAL LITIGATIONS (CONTINUED)

#### (I) KHEC (continued)

##### (i) The First Arbitration Proceedings (continued)

On 20 April 2016, the name of the replacement Arbitrator was accepted by the Panel. The Panel did not schedule new dates for the continued hearing for the First Arbitration Proceedings.

On 2 June 2016, KHEC's Arbitrator resigned and a new arbitrator was nominated for the Panel's consideration and decision before the Panel schedules new dates for the continued hearing for the First Arbitration Proceedings.

On 11 July 2016, the Panel fixed 30 July 2016 for the continued hearing of the First Arbitration Proceedings.

At the hearing on 30 July 2016, the Panel fixed 17 September 2016 and 18 September 2016 for the continued hearing of the First Arbitration Proceedings.

On 19 September 2016, the Company updated that the hearing of the First Arbitration Proceedings will be continued on 2 October 2016.

On 4 October 2016, the Company updated that the hearing of the First Arbitration Proceedings will be continued on 12 November 2016 and 13 November 2016.

On 11 November 2016, the Company notified that the hearing fixed on 11 November 2016 and 12 November 2016 had been cancelled as the Chief Arbitrator had resigned due to health reasons. The remaining Panel was in the process of selecting a suitable replacement for the Chief Arbitrator before the Panel schedules the new dates for the continued hearing for the First Arbitration Proceedings.

On 21 November 2016, the Company was notified that the Panel had approved the replacement for the Chief Arbitrator for the First Arbitration Proceedings. The new dates for the continued hearing for the First Arbitration Proceedings had yet to be scheduled by the Panel.

On 4 January 2017, the Company was notified that the Panel had fixed the continued hearing for the First Arbitration Proceedings on 10 January 2017.

On 11 January 2017, the Company was notified at the hearing held on 10 January 2017 that the Chief Arbitrator had withdrawn himself from the Panel and the remaining Panel will have to find a replacement for the Chief Arbitrator before the Panel schedules new dates for the continued hearing for the First Arbitration Proceedings.

The newly constituted Panel fixed the hearing for the First Arbitration Proceedings on 7 March 2017 and the continued hearing on 11 April 2017 and 22 April 2017.

At the hearing held on 11 April 2017, the Panel fixed the next continued hearing date of the First Arbitration Proceedings on 17 June 2017 and vacated the earlier date fixed on 22 April 2017.

On 17 June 2017, the Panel fixed the continued hearing dates of the First Arbitration Proceedings on 15 July 2017 and 16 July 2017, respectively which were subsequently cancelled by the Panel.

The next continued hearing date of the First Arbitration Proceedings which was fixed by the Panel on 10 September 2017 was subsequently adjourned and held on 18 November 2017.

At the hearing held on 18 November 2017, the Panel fixed the next continued hearing dates of the First Arbitration Proceedings on 6 and 7 January 2018.

The continued hearing proceeded on 6 January 2018 but the hearing date of 7 January 2018 was vacated and the Panel fixed the next continued hearing of the First Arbitration Proceedings on 24 February 2018, 25 February 2018, 24 March 2018 and 25 March 2018, respectively.

## Notes to the Financial Statements

### 35. MATERIAL LITIGATIONS (CONTINUED)

#### (I) KHEC (continued)

##### (i) The First Arbitration Proceedings (continued)

At the hearings held on 24 February 2018 and 25 February 2018, the Panel fixed the next continued hearing of the First Arbitration Proceedings on 24 March 2018, 25 March 2018, 5 May 2018, 6 May 2018 and 8 May 2018, respectively.

The next continued hearing date of the First Arbitration Proceedings which was fixed by the Panel on 24 March 2018 and 25 March 2018 were subsequently adjourned. The Panel fixed the next hearing of the First Arbitration Proceedings on 5 May 2018, 6 May 2018 and 7 May 2018, respectively.

The continued hearing proceeded on 5 May 2018 and 6 May 2018 but the hearing date of 7 May 2018 was vacated. The Panel fixed the next continued hearing date on 23 June 2018 and 24 June 2018.

The hearing proceeded on 23 June 2018 and the Panel vacated the hearing scheduled on 24 June 2018. The Panel fixed the next continued hearing of First Arbitration Proceedings on 30 June 2018 and 1 July 2018.

The hearing proceeded on 30 June 2018 and 1 July 2018. The Panel fixed the next continued hearing of the First Arbitration Proceedings on 11 August 2018 and 12 August 2018.

The hearing proceeded on 11 August 2018. The Panel vacated the hearing scheduled on 12 August 2018 and fixed the next continued hearing of the First Arbitration Proceedings on 15 September 2018.

The continued hearing proceeded on 15 September 2018 and parties were directed to submit written submissions on or before 15 October 2018.

The Arbitration Panel of India delivered the Final Award dated 13 November 2019 (which was notified to the Company on 16 November 2019) in relation to the First Arbitration Proceedings, allowing only the following 3 out of the 34 claims brought by the Claimant against PNHB-LANCO-KHEC JV ("the JV") totalling Rs50,51,786 (equivalent to RM293,708.48 at RM1 = Rs17.2 exchange rate) out of the total claim sum of Rs9,84,58,245 (equivalent to RM5.72 million at RM1 = Rs17.2 exchange rate) with interest at 18% from the date of the award to full and final payment of the Final Award sum. The Arbitration Panel further dismissed the counter claim by the JV in the Final Award.

Claim No	Description	Final Award (Rs)
2	Extra charges for making holes on the pipe	2,44,750
19	Release of Final Bill	36,43,463
22	Refund of Security Deposit (Retention amount)	11,41,703*
	Total three (3) claims awarded	50,29,916
	Additional Expense for Services as per award	21,870
	<b>Final Arbitration Award amount</b>	<b>50,51,786</b>

**Note:-**

\* The Total Retention amount due to the Claimant is Rs61,41,703. The Fixed Deposit of Rs50,00,000 deposited by the JV with the Arbitration Panel will be handed over to the Claimant after the appeal time is over or after the disposal of the appeal, if any.

The JV sought advice from its solicitors in India on the next course of action.

On 8 June 2020, the Claimant's counsel served on the counsel for the JV, a copy of the Petition filed at the Madras High Court to appeal against the decision of the Arbitration Panel dated 13 November 2019.

## Notes to the Financial Statements

### 35. MATERIAL LITIGATIONS (CONTINUED)

#### (I) KHEC (continued)

##### (i) The First Arbitration Proceedings (continued)

On 12 August 2020, the Claimant's Petition filed at the Madras High Court to appeal against the decision of the Arbitration Panel dated 13 November 2019 was returned by the Registrar pending the Claimant's representation with compliance. The hearing of the appeal was adjourned to 9 September 2020 and did not proceed as scheduled as it was not listed at the Madras High Court.

The Claimant's appeal against the decision of the Arbitration Panel dated 13 November 2019 in respect of the First Arbitration Proceedings and the Claimant's appeal against the decision of the Arbitrator dated 29 March 2013 in respect of the Second Arbitration Proceedings were jointly heard at the Madras High Court on 9 February 2022 where the Consortium's counsel clarified on certain technicalities raised by the Madras High Court and directions were given by the Madras High Court and further joint hearings were held on 17 February 2022 and 23 February 2022. The hearing was subsequently adjourned to 16 March 2022, 21 April 2022, 16 June 2022, 14 July 2022, 21 July 2022, 11 August 2022, 8 September 2022, 15 September 2022 and 21 September 2022.

The joint hearing of the Claimant's appeal against the decision of the Arbitration Panel dated 13 November 2019 in respect of the First Arbitration Proceedings and the Claimant's appeal against the decision of the Arbitrator dated 29 March 2013 in respect of the Second Arbitration Proceedings continued at the Madras High Court on 27 September 2022, 18 October 2022, 1 November 2022, 15 November 2022, 24 November 2022 and were completed on 1 December 2022.

The Madras High Court issued an Interim Order dated 1 December 2022 (which was notified to the Company on 16 December 2022) in relation to the Claimant's appeal against the decision of the Arbitration Panel dated 13 November 2019 in respect of the First Arbitration Proceedings whereby PNHB-LANCO-KHEC JV ("the JV" or "the Respondent") was directed by the Madras High Court to pay the sum of Rs50,51,786 (equivalent to approximately RM269,585.25 at RM1 = Rs18.74 exchange rate) directly to the Claimant within a maximum period of twelve (12) weeks from the date of the Interim Order.

In the meantime, the Madras High Court reserved the final judgement on the Claimant's appeal against the decision of the Arbitration Panel dated 13 November 2019 in respect of the First Arbitration Proceedings and the Claimant's appeal against the decision of the Arbitrator dated 29 March 2013 in respect of the Second Arbitration Proceedings to be notified in due course.

At the final order joint hearing of the Claimant's appeal against the decision of the Arbitration Panel dated 13 November 2019 in respect of the First Arbitration Proceedings and the Claimant's appeal against the decision of the Arbitrator dated 29 March 2013 in respect of the Second Arbitration Proceedings on 8 February 2023, the Madras High Court delivered the final oral judgements in dismissing the appeals filed by the Claimant in relation to the decision of the Arbitration Panel dated 13 November 2019 in respect of the First Arbitration Proceedings and the decision of the Arbitrator dated 29 March 2013 in respect of the Second Arbitration Proceedings with no order as to costs since the Claimant had failed to establish its case for both appeals. The written judgements were obtained on 10 February 2023 by the counsel to PNHB-LANCO-KHEC JV ("the JV" or "the Respondent").

## Notes to the Financial Statements

### 35. MATERIAL LITIGATIONS (CONTINUED)

#### (I) KHEC (continued)

##### (ii) The Second Arbitration Proceedings

KHEC had commenced a second arbitration proceedings against the PNHB-Lanco members of the Consortium ("the Second Arbitration Proceedings") on the basis of the terms of the Joint Venture Agreement ("JVA") dated 13 February 2003 and the Supplemental Agreement to the JVA dated 26 March 2003 respectively, entered into between the Company, Lanco Infratech Limited ("Lanco") and KHEC whereby KHEC is claiming for loss of profit (inclusive of interest and other cost) amounting to Rs5,44,32,916 (equivalent to approximately RM4.35 million) as they alleged that they, despite being a 10% share owner, received only 4.31% out of the total value of the contract works of the Chennai Project. Subsequently, KHEC had filed in an amended claim for damages and loss of profit from Rs5,44,32,916 to Rs55,44,32,916 (equivalent to approximately RM4.35 million to RM44.3 million).

PNHB-Lanco's counsel had filed an interim application to dismiss the claim of Rs50,00,00,000 (equivalent to approximately RM39.9 million) for compensation for loss of opportunity on the basis that it is frivolous and unreasonable.

The Second Arbitration Proceedings which was heard by a single arbitrator was completed wherein the parties submitted their respective written submissions on 1 December 2012.

On 1 April 2013, PNHB-Lanco members of the Consortium received the Arbitrator's Final Award dated 29 March 2013 wherein the PNHB-Lanco members of the Consortium are to pay interest for the delayed payment of enabling cost of Rs58 Lakhs amounting to Rs14,62,503 (approximately RM83,627.38) only to the Claimant, KHEC on or before 30 April 2013 and all other claims by the Claimant were rejected.

PNHB-Lanco member of consortium had on 27 April 2013 complied with the Final Award of the Arbitration dated 29 March 2013 by paying the interest for the delayed payment of enabling cost of Rs58 Lakhs amounting to Rs14,62,503 to KHEC.

KHEC had on 4 November 2013 served the PNHB-Lanco members of the Consortium with a copy of the Petition filed at the Madras High Court to appeal against the decision of the Arbitrator dated 29 March 2013. The Madras High Court fixed the Petition for hearing on 2 December 2013.

On 2 December 2013, the Madras High Court postponed the hearing of the Petition filed by KHEC to 3 December 2013.

On 3 December 2013, the Madras High Court fixed the continued hearing of the Petition filed by KHEC on 10 December 2013.

On 10 December 2013, the Madras High Court postponed the hearing of the Petition filed by KHEC, wherein the new hearing date had yet to be fixed by the Madras High Court.

On 29 June 2018, the Madras High Court fixed the continued hearing on 27 July 2018 for the Second Arbitration Proceedings.

At the hearing held on 27 July 2018, the Madras High Court adjourned the next hearing for the Second Arbitration Proceedings to 27 August 2018.

On 27 August 2018, the Madras High Court adjourned the hearing for the Second Arbitration Proceedings to a later date to be advised in due course due to the change in the sitting judge.

On 12 September 2018, the Madras High Court adjourned the hearing of the Second Arbitration Proceedings to the first week of October 2018.

On 3 October 2018, the Madras High Court adjourned the hearing of the Second Arbitration Proceedings to the third week of October 2018.



## Notes to the Financial Statements

### 35. MATERIAL LITIGATIONS (CONTINUED)

#### (I) KHEC (continued)

##### (ii) The Second Arbitration Proceedings (continued)

On 1 November 2018, the Madras High Court adjourned the hearing of the Second Arbitration Proceedings to a later date to be advised in due course.

On 7 March 2019, the Madras High Court adjourned the hearing of the Second Arbitration Proceedings to a later date to be advised in due course.

On 9 April 2019, the Madras High Court adjourned the hearing to a later date to be advised in due course.

On 24 April 2019, the Madras High Court adjourned the hearing to a later date to be advised in due course.

On 12 June 2019, the Madras High Court fixed the next hearing on 26 June 2019.

On 26 June 2019, the Madras High Court adjourned the hearing to a later date to be advised in due course.

The Claimant's appeal against the decision of the Arbitration Panel dated 13 November 2019 in respect of the First Arbitration Proceedings and the Claimant's appeal against the decision of the Arbitrator dated 29 March 2013 in respect of the Second Arbitration Proceedings were jointly heard at the Madras High Court on 9 February 2022 where the Consortium's counsel clarified on certain technicalities raised by the Madras High Court and directions were given by the Madras High Court and further joint hearings were held on 17 February 2022 and 23 February 2022. The hearing was subsequently adjourned to 16 March 2022, 21 April 2022, 16 June 2022, 14 July 2022, 21 July 2022, 11 August 2022, 8 September 2022, 15 September 2022 and 21 September 2022.

The joint hearing of the Claimant's appeal against the decision of the Arbitration Panel dated 13 November 2019 in respect of the First Arbitration Proceedings and the Claimant's appeal against the decision of the Arbitrator dated 29 March 2013 in respect of the Second Arbitration Proceedings continued at the Madras High Court on 27 September 2022, 1 November 2022, 15 November 2022, 24 November 2022 and were completed on 1 December 2022.

At the final order joint hearing of the Claimant's appeal against the decision of the Arbitration Panel dated 13 November 2019 in respect of the First Arbitration Proceedings and the Claimant's appeal against the decision of the Arbitrator dated 29 March 2013 in respect of the Second Arbitration Proceedings on 8 February 2023, the Madras High Court delivered the final oral judgements in dismissing the appeals filed by the Claimant in relation to the decision of the Arbitration Panel dated 13 November 2019 in respect of the First Arbitration Proceedings and the decision of the Arbitrator dated 29 March 2013 in respect of the Second Arbitration Proceedings with no order as to costs since the Claimant had failed to establish its case for both appeals. The written judgements were obtained on 10 February 2023 by the counsel to PNHB-LANCO-KHEC JV ("the JV" or "the Respondent").

#### (II) Pengurusan Air Selangor Sdn. Bhd. ("PASSB")

##### **Shah Alam High Court Suit No: BA-22NCVC-228-04/2017 Pengurusan Air Selangor Sdn. Bhd. ("PASSB") vs Puncak Niaga Holdings Berhad & 5 Others ("the Suit")**

The Company had, on the evening of 9 May 2017, received a sealed copy of the Amended Writ together with an Amended Statement of Claim both dated 28 April 2017 from the solicitors of PASSB.

The Suit arose from alleged breaches on the Sale and Purchase Agreement dated 11 November 2014 ("SPA") between the Company and PASSB relating to the disposals of Puncak Niaga (M) Sdn. Bhd. ("PNSB") and 70% equity interest and RM212.0 million nominal value of redeemable convertible loan stocks held in SYABAS by the Company to PASSB for RM1,555.3 million in line with the consolidation/restructuring of the water industry in the State of Selangor and the Federal Territories of Kuala Lumpur and Putrajaya by the State Government and the Federal Government. The disposals of PNSB and SYABAS were completed on 15 October 2015.

## Notes to the Financial Statements

### 35. MATERIAL LITIGATIONS (CONTINUED)

#### (II) Pengurusan Air Selangor Sdn. Bhd. ("PASSB") (continued)

##### **Shah Alam High Court Suit No: BA-22NCVC-228-04/2017 Pengurusan Air Selangor Sdn. Bhd. ("PASSB") vs Puncak Niaga Holdings Berhad & 5 Others ("the Suit") (continued)**

The Company is named as the First Defendant in the Suit. The relief sought by PASSB against the Company is as follows:

- (i) a sum of RM63,237,583.05 ("Sum") to be paid within 14 days from the date of the Honourable Court judgement.
- (ii) interests on the Sum at the rate of 5% per annum to be calculated from 22 August 2016 until full payment thereof.
- (iii) a declaration that the Company continues to indemnify PASSB for all losses which arises after the filing of this claim that PASSB may suffer as a result of the breaches in this action, including but not limited to future RPGT relation to the transfer of properties of PNSB to the Company Group under the SPA.
- (iv) general damages to be assessed ("Assessed Damages") and interests on the Assessed Damages at the rate of 5% per annum to be calculated from the date of assessment until full payment thereof.
- (v) an order that the Company do deliver to PASSB the original or photocopies of PNSB's documents within seven (7) days from the date of the Honourable Court order.
- (vi) costs and interests at the rate of 5% and other reliefs or orders that the Honourable Court may deem fit and proper to grant.

The alleged breaches are said to arise from a breach of the SPA, amongst others, Clauses 7.2(c), 7.2(d) and the Representations and Warranties of Puncak in Schedule 2, Clause 10.1.5.

The Sum of RM63,237,583.05 is made out of, amongst others, alleged payments made in respect of the Non-CA Related Business.

The Company had instructed its solicitors to contest the matter and to file an appearance at the pre-trial case management on 17 May 2017.

On 17 May 2017, the Court fixed another pre-trial case management on 18 July 2017. Meanwhile, the Company filed an appearance on 16 May 2017.

The Company filed its Defence on 20 June 2017 and a copy of the Defence was served on PASSB's solicitors on 21 June 2017. Puncak received a copy of PASSB's reply to the Defence on 14 July 2017.

On 5 July 2017, PASSB served a sealed application to restrain Puncak's solicitors from acting in the proceeding for the Suit.

At the case management held on 18 July 2017, the Court scheduled PASSB's application to restrain Puncak's solicitors from acting in the proceeding for the Suit on 24 August 2017. Meanwhile, Puncak and Puncak's solicitors filed and served their affidavit in replies to oppose the said application by PASSB on 17 July 2017.

At the case management held on 21 August 2017, the Court adjourned the hearing of PASSB's application to restrain Puncak's solicitors from acting in the proceeding for the Suit to 14 September 2017. Meanwhile, the respective submission in reply is due on 4 September 2017.

At the hearing of PASSB's application to restrain Puncak's solicitors from acting in the proceeding for the Suit held on 14 September 2017, the Court adjourned the hearing of the said application to 26 September 2017.

## Notes to the Financial Statements

### 35. MATERIAL LITIGATIONS (CONTINUED)

#### (II) Pengurusan Air Selangor Sdn. Bhd. ("PASSB") (continued)

##### **Shah Alam High Court Suit No: BA-22NCVC-228-04/2017 Pengurusan Air Selangor Sdn. Bhd. ("PASSB") vs Puncak Niaga Holdings Berhad & 5 Others ("the Suit") (continued)**

At the hearing held on 26 September 2017, the Court adjourned the hearing of PASSB's application to restrain Puncak's solicitors from acting in the proceeding for the Suit to 30 November 2017.

At PASSB's request, the Court brought forward the hearing of PASSB's application to restrain Puncak's solicitors from acting in the proceeding for the Suit to 9 November 2017.

PASSB's application to restrain Puncak's solicitors from acting in the proceeding for the Suit was part heard on 9 November 2017, 30 November 2017, 29 December 2017 and completed on 15 January 2018.

On 27 February 2018, the Judge allowed PASSB's application to restrain Puncak's solicitors from acting in the proceedings with costs. Having consulted Puncak's solicitors, Puncak had given instructions to them to lodge an appeal to the Court of Appeal against this decision. Meanwhile, the Judge fixed the PASSB's claim for case management on 29 March 2018.

On 14 March 2018, the Judge recorded a stay of the Order dated 27 February 2018 to restrain Puncak's solicitors from acting in the proceedings with costs until the hearing and final disposal of Puncak's appeal to the Court of Appeal against the said decision. Meanwhile, Puncak's application to stay further proceedings in the High Court pending the disposal of Puncak's appeal is fixed for hearing on 29 March 2018.

Puncak's Notice of Appeal to appeal against the decision of the High Court dated 27 February 2018 to restrain its solicitors from acting in the proceedings had been filed and served on 14 March 2018. The Court of Appeal has fixed the matter for case management on 30 May 2018 before the Deputy Registrar of the Court of Appeal.

On 29 March 2018, the Judge recorded a stay of all further proceedings in the High Court pending the hearing and final disposal of Puncak's appeal against the Order dated 27 February 2018 to restrain Puncak's solicitors from acting in the proceedings with costs, except for any interlocutory applications by the other defendants in the action. The matter is fixed for case management on 2 May 2018.

The case management originally fixed on 2 May 2018 has been postponed to 1 June 2018 by the High Court.

On 30 May 2018, Puncak's appeal to the Court of Appeal against the decision to restrain Puncak's solicitors from acting was called up for case management. The appeal will be further case managed on 3 July 2018 before the Deputy Registrar of the Court of Appeal pending receipt of the High Court's grounds of judgement and notes of proceedings.

On 1 June 2018, the case management adjourned to 4 July 2018 for parties to update the High Court on the status of Puncak's appeal to the Court of Appeal against the decision to restrain Puncak's solicitors from acting.

On 3 July 2018, Puncak's appeal to the Court of Appeal against the decision to restrain Puncak's solicitors from acting was called up for further case management. The appeal will be further case managed on 18 July 2018 before the Deputy Registrar of the Court of Appeal pending the filing of the Supplementary Record of Appeal and to fix a hearing date for the appeal.

The case management which was fixed on 4 July 2018 was subsequently adjourned by the High Court to 18 September 2018 for parties to update the Court on the status of Puncak's appeal to the Court of Appeal against the decision to restrain Puncak's solicitors from acting.

## Notes to the Financial Statements

### 35. MATERIAL LITIGATIONS (CONTINUED)

#### (II) Pengurusan Air Selangor Sdn. Bhd. ("PASSB") (continued)

##### **Shah Alam High Court Suit No: BA-22NCVC-228-04/2017 Pengurusan Air Selangor Sdn. Bhd. ("PASSB") vs Puncak Niaga Holdings Berhad & 5 Others ("the Suit") (continued)**

Puncak's appeal to the Court of Appeal against the decision to restrain Puncak's solicitors from acting was called up for case management on 18 July 2018. The appeal was fixed for final case management on 8 October 2018 before the Deputy Registrar of the Court of Appeal, and the appeal was fixed for hearing on 18 October 2018.

On 18 September 2018, the case management was adjourned to 24 October 2018 for parties to update the Court on the outcome of Puncak's appeal to the Court of Appeal against the decision to restrain solicitors from acting from Puncak.

Puncak's appeal to the Court of Appeal against the decision to restrain Puncak's solicitors from acting which was fixed for hearing on 18 October 2018, was taken-off by the Court of Appeal and the hearing of the appeal was adjourned to 8 January 2019.

The case management scheduled on 24 October 2018 was adjourned to 14 January 2019 for parties to update the Court on the outcome of Puncak's appeal to the Court of Appeal against the decision to restrain solicitors from acting for Puncak.

On 8 January 2019, the Court of Appeal dismissed Puncak's appeal with costs against the decision to restrain Puncak's solicitors from acting. Puncak will consider the next course of action in defending the suit by PASSB.

On 14 January 2019, the High Court fixed the next case management on 28 January 2019 for parties to update the High Court on whether Puncak was appealing the Court of Appeal's decision dated 8 January 2019 in respect of the Disqualification Application.

On 28 January 2019, the case management before the Shah Alam High Court Judge was adjourned to 12 February 2019 for parties to update the Court on whether PNHB was appealing the Court of Appeal's dismissal of PNHB's appeal against the High Court's decision to restrain PNHB's current solicitors from acting for PNHB.

The case management on 12 February 2019 before the Shah Alam High Court Judge was postponed to 1 March 2019.

On 1 March 2019, Puncak's new solicitors attended the case management and the High Court fixed the next case management on 9 April 2019.

At the case management held on 9 April 2019, the High Court directed the parties to comply with the pre-trial directions and fixed the next case management on 27 May 2019.

At the case management held on 27 May 2019, the High Court directed the parties to comply with the pre-trial directions and fixed the next case management on 4 July 2019.

At the case management held on 4 July 2019, the High Court directed the parties to comply with the pre-trial directions and fixed the next case management on 6 August 2019.

At the case management held on 6 August 2019, the High Court directed the parties to comply with the pre-trial directions and fixed the next case management on 11 September 2019.

At the case management held on 11 September 2019, the High Court directed the parties to comply with the pre-trial directions and fixed the next case management on 3 October 2019.

At the case management held on 3 October 2019, the plaintiff filed an application to amend the Amended Statement of Claim and the said application was fixed for hearing on 21 October 2019. The High Court further directed the parties to comply with the pre-trial directions. The trial dates in November 2019 were maintained.

## Notes to the Financial Statements

### 35. MATERIAL LITIGATIONS (CONTINUED)

#### (II) Pengurusan Air Selangor Sdn. Bhd. ("PASSB") (continued)

##### **Shah Alam High Court Suit No: BA-22NCVC-228-04/2017 Pengurusan Air Selangor Sdn. Bhd. ("PASSB") vs Puncak Niaga Holdings Berhad & 5 Others ("the Suit") (continued)**

At the case management held on 21 October 2019, the plaintiff withdrew the application to amend the Amended Statement of Claim. The Court allowed the withdrawal and fixed the next case management on 22 October 2019. The trial dates in November 2019 were maintained.

At the case management held on 22 October 2019, the High Court directed the parties to comply with the pre-trial directions. The trial dates in November 2019 were maintained.

On 4 November 2019, the Court vacated the trial dates scheduled on 4 November 2019 to 6 November 2019 because the Judge was on medical leave.

At the trial held on 18 November 2019, the Court fixed the continued trial on 7 March 2020, 17 April 2020, 11 August 2020, 12 August 2020, 13 August 2020, 8 September 2020, 10 September 2020, 15 September 2020, 17 September 2020, 22 September 2020, 23 September 2020, 24 September 2020, 29 September 2020, 30 September 2020, 6 October 2020, 7 October 2020, 8 October 2020, 13 October 2020, 14 October 2020 and 15 October 2020.

The Court also fixed 23 June 2020, 24 June 2020, 25 June 2020, 8 July 2020 and 9 July 2020 tentatively for continued trial pending confirmation from all the parties.

The Court subsequently confirmed that the tentative continued trial dates on 23 to 25 June 2020 are confirmed whilst the tentative continued trial dates on 8 to 9 July 2020 were taken off.

At the case management held on 22 January 2020, the plaintiff filed an application to amend the Amended Statement of Claim and the said application was fixed for hearing on 9 March 2020.

At the case management on 27 February 2020, the Court maintained the hearing date fixed on 9 March 2020 for the plaintiff's application to amend the Amended Statement of Claim. The Court also vacated the trial date fixed on 17 March 2020.

At the hearing for the plaintiff's application to amend the Amended Statement of Claim on 9 March 2020, the Court fixed the matter for decision on 30 March 2020.

Due to the Extended Movement Control Order imposed by Government due to the COVID-19 outbreak, the Court subsequently fixed the matter for decision on 14 May 2020.

On 14 May 2020, the High Court dismissed the plaintiff's application to amend the Amended Statement of Claim with costs and vacated the trial dates fixed in June 2020.

The trial dates on 11 August 2020 to 13 August 2020 were vacated by the High Court as the Judge was unwell.

The trial proceeded as scheduled in September 2020 and October 2020 except for the trial dates on 22 September 2020 to 24 September 2020, 6 October 2020 to 8 October 2020 and 13 October 2020 to 15 October 2020 which were vacated by the Court. The trial date on 2 November 2020 was subsequently vacated due to the extended Conditional Movement Control Order ("CMCO").

The next trial dates will be on 4 January 2021 and 5 January 2021.

The Shah Alam High Court vacated the trial dates fixed on 14 January 2021, 18 January 2021, 2 February 2021 and 3 February 2021.



## Notes to the Financial Statements

### 35. MATERIAL LITIGATIONS (CONTINUED)

#### (II) Pengurusan Air Selangor Sdn. Bhd. ("PASSB") (continued)

##### **Shah Alam High Court Suit No: BA-22NCVC-228-04/2017 Pengurusan Air Selangor Sdn. Bhd. ("PASSB") vs Puncak Niaga Holdings Berhad & 5 Others ("the Suit") (continued)**

The trial proceeded on 4 January 2021, 5 January 2021, 8 March 2021, and 9 March 2021 respectively. The trial dates fixed on 13 April 2021 and 14 April 2021 were vacated because the trial judge will be transferred with effect on 5 April 2021 and the parties need to wait for further directions from the Shah Alam High Court with regards to the continued trial. The Shah Alam High Court fixed a case management on 13 April 2021.

On 19 March 2021, the Company announced that the trial will be continued before the current trial judge on 4 May 2021 to 6 May 2021. The Shah Alam High Court vacated the case management fixed on 13 April 2021 and vacated the trial date fixed on 3 May 2021.

The trial date on 5 May 2021 was subsequently vacated by the Court and the trial continued on 4 May 2021 and 6 May 2021. The trial dates fixed in June 2021 were maintained.

On 3 June 2021, the Company announced that in light of the full Movement Control Order ("FMCO") imposed by the Government, the trial dates fixed on 11 June 2021 and 14 June 2021 have been vacated.

The continued trial dates for the Suit fixed on 6 October 2021 and 11 November 2021 were subsequently vacated by the Shah Alam High Court.

The Shah Alam High Court fixed the continued trial dates of the Suit on 24 March 2022, 25 March 2022 and 18 April 2022. The continued trial dates of the Suit fixed on 24 March 2022 and 25 March 2022 were subsequently vacated by the Shah Alam High Court and the trial proceeded on 18 April 2022 and 22 June 2022.

The Shah Alam High Court fixed the continued trial dates of the Suit on 22 September 2022, 18 October 2022, 19 October 2022, 31 October 2022 and 17 November 2022.

The hearing scheduled for 22 September 2022, 18 October 2022, 19 October 2022 and 31 October 2022 were vacated by the Shah Alam High Court. The hearing date of the Suit fixed on 17 November 2022 was vacated and converted into a case management.

The Shah Alam High Court had fixed the continued trial dates of the Suit on 16 February 2023, 27 to 28 March 2023 and 6 April 2023 which were all subsequently vacated by the Shah Alam High Court.

The Shah Alam High Court has fixed a case management on 4 April 2023 for the Suit.

## Notes to the Financial Statements

### 35. MATERIAL LITIGATIONS (CONTINUED)

#### (III) Puncak Niaga Holdings Berhad (“Puncak”)

**Shah Alam High Court Suit No: BA-21NCvC-72-10/2017 Puncak Niaga Holdings Berhad (“Plaintiff”) vs 1. Tan Sri Dato’ Seri Khalid bin Ibrahim 2. Dato’ Seri Mohamed Azmin bin Ali (subsequently withdrawn by Puncak) 3. Selangor State Government (1st and 3rd Defendants collectively “Defendants”)**

The solicitors of Puncak as the Plaintiff (“Plaintiff”) served the sealed Writ of Summons vide Shah Alam High Court Suit No. BA-21NCvC-72-10/2017 together with the Statement of Claim dated 27 October 2017 on:-

- (i) the solicitors of Tan Sri Dato’ Seri Abdul Khalid bin Ibrahim (“Tan Sri Khalid”), as the former Menteri Besar of Selangor on 2 November 2017;
- (ii) Dato’ Seri Mohamed Azmin bin Ali (“Dato’ Seri Azmin”), as the present Menteri Besar of Selangor on 21 November 2017; and
- (iii) The Selangor State Government (“Selangor State Government”) on 6 November 2017; collectively “the Defendants”.

The suit is initiated by Puncak against the Defendants including the Selangor State Government, who Puncak asserts is vicariously liable for the tortious acts of Tan Sri Khalid and Dato’ Seri Azmin in abusing their powers in public office/misfeasance by threatening to cause and/or requesting or attempting to cause the Federal Government to invoke use of the Water Services Industry Act 2006 (“WSIA”) to force a take-over of the State’s water industry.

Puncak claims damages, interest on damages and costs of:-

- (i) the difference between the value of PNSB Water Sdn. Bhd. (formerly known as Puncak Niaga (M) Sdn. Bhd.) (“PNSB”) and Syarikat Bekalan Air Selangor Sdn. Bhd. (“SYABAS”) at the range of RM2,081,000,000 to RM2,353,000,000 and the actual purchase consideration of RM1,555,300,000 under the Share Purchase Agreement dated 11 November 2014 between Puncak and Pengurusan Air Selangor Sdn. Bhd. (“PASSB”); and
- (ii) loss of business opportunities (local and foreign) totalling RM13,496,009,000.

At the case management held on 28 November 2017, the Judge made directions for the filing of pleadings, the exchange of affidavits and submissions in respect of the 1st Defendant’s (“Tan Sri Khalid”) application to strike out the claim (“Striking out Application”) as well as pre-trial case management directions as follows:-

- (i) Tan Sri Khalid’s Striking out Application is fixed for decision on 23 January 2018.
- (ii) The next case management before the Judge for parties to comply with pre-trial case management directions is on 12 February 2018.
- (iii) The trial dates are scheduled on 28 March 2018 to 30 March 2018.

Meanwhile, the Judge directed parties to attempt mediation in January 2018.

The Selangor State Government’s sealed Striking Out Application together with the Affidavit in Support was served on Puncak’s solicitors on 19 December 2017.

At the case management of the Selangor State Government’s application to strike out the claim on 20 December 2017, the Judge made directions for the filing of pleadings, the exchange of affidavits and submissions in respect of the same with a date for delivery of decision on 23 January 2018. Meanwhile, both Tan Sri Khalid and Dato’ Seri Azmin filed and served their respective Defences, with Dato’ Seri Azmin also filing a Counterclaim against Puncak by alleging that the claim is an abuse of process, and in turn, he claims for general damages, interest and costs.

## Notes to the Financial Statements

### 35. MATERIAL LITIGATIONS (CONTINUED)

#### (III) Puncak Niaga Holdings Berhad (“Puncak”) (continued)

**Shah Alam High Court Suit No: BA-21NCvC-72-10/2017 Puncak Niaga Holdings Berhad (“Plaintiff”) vs 1. Tan Sri Dato’ Seri Khalid bin Ibrahim 2. Dato’ Seri Mohamed Azmin bin Ali (subsequently withdrawn by Puncak) 3. Selangor State Government (1st and 3rd Defendants collectively “Defendants”) (continued)**

Dato’ Seri Azmin’s sealed Striking Out Application with the Affidavit in Support was served on Puncak’s solicitors on 12 January 2018 and the matter was fixed for hearing on 23 January 2018.

At the hearing on 23 January 2018, the Judge fixed both Tan Sri Khalid’s and the Selangor State Government’s application to strike out the claim for oral arguments on 26 January 2018. As for Dato’ Seri Azmin’s application to strike out the claim, the Judge made directions for the exchange of affidavits and submissions with a date for delivery of decision on 22 February 2018. The Judge also adjourned the case management of the suit from 12 February 2018 to 22 February 2018.

On 26 January 2018, the Judge reserved decision on both striking out applications to 22 February 2018 after hearing the oral arguments on both Tan Sri Khalid’s and the Selangor State Government’s application to strike out the claim.

At the hearing on 22 February 2018, the Judge allowed the Defendants’ applications and struck out the claim with costs. Accordingly, the Judge vacated all pre-trial directions and the trial dates from 28 March 2018 to 30 March 2018. As for the Counterclaim filed by Dato’ Seri Azmin, the Judge directed the parties to file and exchange submissions with a date for delivery of decision on 13 March 2018 in respect of the Counterclaim.

Puncak gave instructions to its solicitors to lodge an appeal with the Court of Appeal against this decision.

On 26 February 2018, Puncak lodged an appeal with the Court of Appeal against the High Court’s decision in allowing the Defendants’ applications and striking out the claim with costs.

On 12 March 2018, the Judge granted the application by Dato’ Seri Azmin’s solicitors to adjourn the delivery of decision in respect of the Counterclaim filed by Dato’ Seri Azmin (“Dato’ Seri Azmin’s Counterclaim”). The decision in respect of Dato’ Seri Azmin’s Counterclaim which was originally set on 13 March 2018 was adjourned to 15 March 2018.

On 15 March 2018, the Judge dismissed Dato’ Seri Azmin’s Counterclaim with costs.

Puncak’s appeal to the Court of Appeal against the decision of High Court in allowing the Defendant’s applications and striking out claim with costs were all fixed for case management on 23 May 2018 before the Registrar of the Court of Appeal.

On 6 April 2018, Puncak’s solicitors received a copy of Dato’ Seri Azmin’s Notice of Appeal to the Court of Appeal against the decision of the High Court in dismissing the Counterclaim with costs. The matter was fixed for case management on 25 May 2018 before the Registrar of the Court of Appeal.

On 18 May 2018, Dato’ Seri Azmin’s appeal to the Court of Appeal against the High Court’s decision in dismissing his Counterclaim against Puncak was fixed for case management on 25 May 2018 before the Registrar of the Court of Appeal.

On 23 May 2018, Puncak’s appeals against the High Court’s decision in allowing the defendants’ applications and striking out the claim was fixed for hearing on 30 August 2018 at the Court of Appeal.

On 25 May 2018, the Registrar of the Court of Appeal fixed Dato’ Seri Azmin’s appeal to the Court of Appeal against the High Court’s decision in dismissing his Counterclaim against Puncak for further case management on 2 July 2018 pending the receipt of the grounds of judgement from the High Court and the filing of the Record of Appeal.

On 2 July 2018, Dato’ Seri Azmin’s appeal to the Court of Appeal against the High Court’s decision in dismissing his Counterclaim against Puncak was called up for case management. The Registrar of the Court of Appeal fixed the said appeal for further case management on 18 July 2018 pending the filing of the Record of Appeal.

## Notes to the Financial Statements

### 35. MATERIAL LITIGATIONS (CONTINUED)

#### (III) Puncak Niaga Holdings Berhad (“Puncak”) (continued)

**Shah Alam High Court Suit No: BA-21NCvC-72-10/2017 Puncak Niaga Holdings Berhad (“Plaintiff”) vs 1. Tan Sri Dato’ Seri Khalid bin Ibrahim 2. Dato’ Seri Mohamed Azmin bin Ali (subsequently withdrawn by Puncak) 3. Selangor State Government (1st and 3rd Defendants collectively “Defendants”) (continued)**

At the case management on 18 July 2018, the Registrar of the Court of Appeal fixed Dato’ Seri Azmin’s appeal to the Court of Appeal against the High Court’s decision in dismissing his Counterclaim against Puncak for hearing on 5 November 2018.

The hearing of Puncak’s appeals against the High Court’s decision in allowing the defendants’ applications and striking out the claim which was scheduled on 30 August 2018 was adjourned to 15 January 2019 at the Court of Appeal.

On 8 October 2018, Puncak’s solicitors received notification from the Court of Appeal that Puncak’s appeal against the High Court’s decision in allowing Tan Sri Khalid’s application to strike out the claim was scheduled for case management on 21 November 2018 before the Deputy Registrar at the Court of Appeal.

The hearing of Dato’ Seri Azmin’s appeal to the Court of Appeal against the High Court’s decision in dismissing his Counterclaim against Puncak that was scheduled on 5 November 2018 was vacated as Dato’ Seri Azmin had withdrawn the said appeal.

Puncak’s solicitors received notification from the Court of Appeal that Puncak’s appeals against the High Court’s decision in allowing Tan Sri Khalid, Dato’ Seri Azmin and the Selangor State Government’s applications to strike out the claim which were scheduled on 21 November 2018 were now rescheduled for case management on 10 December 2018 before the Deputy Registrar at the Court of Appeal.

On 10 December 2018, the Court of Appeal adjourned the hearing of Puncak’s appeals to 8 March 2019 which was originally fixed on 15 January 2019.

On 8 March 2019, the Court of Appeal adjourned the matter for case management on 30 April 2019.

On 30 April 2019, the Court of Appeal adjourned the matter for the further case management on 28 June 2019.

The case management of Puncak’s appeals against the High Court’s decision in allowing the defendant’s applications and striking out the claim was adjourned for further case management on 20 August 2019 at the Court of Appeal.

On 20 August 2019, the case management of Puncak’s appeals against the High Court’s decision in allowing the defendants’ applications and striking out the claim was adjourned for further case management on 25 September 2019 at the Court of Appeal.

On 25 September 2019, the case management of Puncak’s appeal against the High Court’s decision in allowing the defendants’ applications and striking out the claim was adjourned for further case management on 18 November 2019 at the Court of Appeal.

On 18 November 2019, the case management of Puncak’s appeals against the High Court’s decision in allowing the defendants’ applications and striking out the claim was adjourned for further case management on 22 January 2020 at the Court of Appeal.

On 28 November 2019, Puncak was informed that the case management of Puncak’s appeals against the High Court’s decision in allowing the defendants’ applications and striking out the claim which was previously fixed on 22 January 2020 had been brought forward to 6 December 2019 at the Court of Appeal.

On 6 December 2019, the case management of Puncak’s appeals against the High Court’s decision in allowing the defendants’ applications and striking out the claim was adjourned for further case management on 20 December 2020 at the Court of Appeal.

## Notes to the Financial Statements

### 35. MATERIAL LITIGATIONS (CONTINUED)

#### (III) Puncak Niaga Holdings Berhad (“Puncak”) (continued)

**Shah Alam High Court Suit No: BA-21NCvC-72-10/2017 Puncak Niaga Holdings Berhad (“Plaintiff”) vs 1. Tan Sri Dato’ Seri Khalid bin Ibrahim 2. Dato’ Seri Mohamed Azmin bin Ali (subsequently withdrawn by Puncak) 3. Selangor State Government (1st and 3rd Defendants collectively “Defendants”) (continued)**

On 20 December 2019, the case management of Puncak’s appeals against the High Court’s decision in allowing the defendants’ applications and striking out the claim was adjourned for further case management on 10 January 2020 at the Court of Appeal.

Subsequently, the case management of Puncak’s appeals against the High Court’s decision in allowing the defendants’ applications and striking out the claim which was scheduled on 10 January 2020 was vacated. The next case management fixed on 7 February 2020 at the Court of Appeal was also vacated.

At the case management of Puncak’s appeals at the Court of Appeal on 13 February 2020, the Court of Appeal fixed the Hearing of Puncak’s appeals on 22 June 2020.

The Hearing of Puncak’s appeals at the Court of Appeal on 22 June 2020 was vacated and in lieu thereof, a case management was held. The Court of Appeal fixed another case management date on 8 July 2020 for the re-scheduling of the Hearing of Puncak’s appeals.

At the Hearing of Puncak’s appeals at the Court of Appeal on 11 February 2021, the Court of Appeal decided as follows:-

- (a) The appeal against Tan Sri Dato’ Seri Khalid bin Ibrahim and the Selangor State Government were allowed with costs in the cause. The matter was remitted for trial at the Shah Alam High Court. A case management was fixed on 18 February 2021.
- (b) The appeal against Dato’ Seri Mohamed Azmin bin Ali was dismissed with costs of RM10,000.00.

On 18 February 2021, the case management of Puncak’s claim at the Shah Alam High Court against Tan Sri Dato’ Seri Khalid bin Ibrahim and the Selangor State Government was vacated and re-scheduled to 5 March 2021.

At the case management of Puncak’s claim at the Shah Alam High Court on 5 March 2021, the Shah Alam High Court fixed the next case management on 8 April 2021 for Tan Sri Khalid and the Selangor State Government to update the Shah Alam High Court on the status of their respective Defences and Tan Sri Khalid’s intended appeal to the Federal Court.

At the case management of Puncak’s claim at the Shah Alam High Court on 8 April 2021, the Shah Alam High Court gave directions for the filing and exchange of affidavits and submissions vis-à-vis the Selangor State Government’s application to amend its Defence and fixed the next case management on 8 June 2021 to monitor these matters. The Shah Alam High Court also fixed a separate case management date on 7 May 2021 for Tan Sri Khalid to update the Shah Alam High Court on the status of his motion for leave to appeal to the Federal Court and his intended application to amend his Defence.

At the case management of Puncak’s claim at the Shah Alam High Court against Tan Sri Khalid and the Selangor State Government on 7 May 2021, the Selangor State Government withdrew its application to amend its Defence with liberty to file afresh and with no orders as to costs. The Shah Alam High Court vacated the case management originally fixed on 8 June 2021 and fixed the next case management on 25 June 2021 pending the outcome of Tan Sri Khalid’s motion for leave to appeal to the Federal Court.

At the case management of Puncak’s claim at the Shah Alam High Court on 25 June 2021, the Court directed the Selangor State Government to file its amendment application and supporting affidavit within a week after the Movement Control Order is lifted or after law firms are allowed to operate. Puncak is directed to file its reply affidavit within 14 days after receipt of the Selangor State Government’s affidavit in support. The High Court also directed Tan Sri Khalid to file his amendment application on or before the next case management on 22 July 2021.



## Notes to the Financial Statements

### 35. MATERIAL LITIGATIONS (CONTINUED)

#### (III) Puncak Niaga Holdings Berhad (“Puncak”) (continued)

**Shah Alam High Court Suit No: BA-21NCvC-72-10/2017 Puncak Niaga Holdings Berhad (“Plaintiff”) vs 1. Tan Sri Dato’ Seri Khalid bin Ibrahim 2. Dato’ Seri Mohamed Azmin bin Ali (subsequently withdrawn by Puncak) 3. Selangor State Government (1st and 3rd Defendants collectively “Defendants”) (continued)**

At the case management of Puncak’s claim at the Shah Alam High Court on 22 July 2021, the High Court fixed a further case management on 9 August 2021 for Puncak to inform the High Court whether it agrees with Tan Sri Khalid’s proposed amendments to his Defence and for the Selangor State Government to update the High Court on the status of its amendment application.

At the case management of Puncak’s claim at the Shah Alam High Court on 9 August 2021, the High Court fixed another case management on 20 August 2021 to give further directions on the Selangor State Government’s application to amend its Defence.

At the case management of Puncak’s claim at the Shah Alam High Court on 20 August 2021, the High Court fixed another case management on 10 September 2021 for Puncak to update the High Court on its reply affidavit (if any) to the Selangor State Government’s amendment application and Puncak’s amended reply to Tan Sri Khalid’s amended defence.

At the case management of Puncak’s claim at the Shah Alam High Court on 10 September 2021, the High Court fixed the Selangor State Government’s amendment application for hearing on 24 September 2021 and the next case management of Puncak’s claim on 24 September 2021. Puncak was directed to file its Amended Reply to Tan Sri Khalid’s Amended Defence by 1 October 2021.

At the hearing of the Selangor State Government’s amendment application and case management of Puncak’s claim at the Shah Alam High Court on 24 September 2021, the High Court allowed the Selangor State Government’s amendment application with no orders as to costs, as agreed between the parties. The High Court gave further directions on the filing and service of pleadings between Puncak and the Selangor State Government and fixed the next case management of Puncak’s claim on 16 November 2021 which was subsequently rescheduled to 21 December 2021.

At the case management of Puncak’s claim on 21 December 2021, the Shah Alam High Court gave further directions regarding pre-trial documents and fixed the next case management on 7 February 2022 which was subsequently rescheduled to 17 March 2022.

The case management on 17 March 2022 was vacated and rescheduled to 18 April 2022 by the Shah Alam High Court.

At the case management of Puncak’s claim on 18 April 2022, the Shah Alam High Court fixed the next case management on 22 April 2022.

At the case management of Puncak’s claim on 22 April 2022, the Shah Alam High Court gave pre-trial directions to parties and fixed the next case management on 30 June 2022.

At the case management of Puncak’s claim on 30 June 2022, the Shah Alam High Court fixed the next case management on 6 October 2022 and also fixed the trial dates on 14 to 17 August 2023, 2 to 5 October 2023 and 9 to 12 October 2023.

At the case management of Puncak’s claim on 6 October 2022, the Shah Alam High Court was informed that Puncak will proceed with the action against the Defendants despite the demise of Tan Sri Dato’ Seri Khalid bin Ibrahim on 31 July 2022. The Shah Alam High Court fixed the next case management on 30 November 2022 for his solicitors on record to update on the estate’s status and for parties to discuss the pre-trial documents.

At the case management of Puncak’s claim on 30 November 2022, the Shah Alam High Court was informed that Tan Sri Dato’ Seri Khalid bin Ibrahim’s family require some time to appoint solicitors for the case. The Shah Alam High Court fixed the next case management on 3 February 2023.

## Notes to the Financial Statements

### 35. MATERIAL LITIGATIONS (CONTINUED)

#### (III) Puncak Niaga Holdings Berhad (“Puncak”) (continued)

**Shah Alam High Court Suit No: BA-21NCvC-72-10/2017 Puncak Niaga Holdings Berhad (“Plaintiff”) vs 1. Tan Sri Dato’ Seri Khalid bin Ibrahim 2. Dato’ Seri Mohamed Azmin bin Ali (subsequently withdrawn by Puncak) 3. Selangor State Government (1st and 3rd Defendants collectively “Defendants”) (continued)**

At the case management of Puncak’s claim on 3 February 2023, the Shah Alam High Court directed Puncak to file the relevant application to substitute Tan Sri Dato’ Seri Khalid bin Ibrahim with the administrators of his estate by 20 February 2023. Tan Sri Khalid’s estate’s solicitors were directed to provide Puncak’s solicitors with the requisite documents and information to do so. The Shah Alam High Court fixed the next case management on 20 February 2023.

The Shah Alam High Court was informed at the case management on 20 February 2023 that Puncak had filed an ex-parte application to substitute the late Tan Sri Dato’ Seri Khalid bin Ibrahim with the administrator of his estate. The case management was stood down until 21 February 2023 for the administrator of the estate to inform the Shah Alam High Court of its position vis-à-vis Puncak’s substitution application.

At the case management of Puncak’s application to substitute the late Tan Sri Dato’ Seri Abdul Khalid bin Ibrahim with the administrator of his estate on 21 February 2023, the Shah Alam High Court fixed the matter for hearing on 27 February 2023 to be followed by a case management of Puncak’s claim thereafter.

On 27 February 2023, the Shah Alam High Court allowed Puncak’s application to substitute the late Tan Sri Dato’ Seri Abdul Khalid bin Ibrahim with the administrator of his estate as a party to Puncak’s claim. The case management of Puncak’s claim before the Registrar of the Shah Alam High Court commenced on 27 February 2023 and continued until 2 March 2023 wherein the Registrar directed parties to comply with the filling of the documents of the pre-trial case management directions and fixed the next case management on 28 April 2023.

At the continued case management of Puncak’s claim at the Shah Alam High Court on 3 March 2023, the Registrar directed Tan Sri Dato’ Seri Abdul Khalid bin Ibrahim’s estate to follow up with Puncak on his proposed amendments to his defence and to file an amendment application, if necessary, by 17 March 2023.

#### **Tan Sri Dato’ Seri Khalid bin Ibrahim’s appeal to the Federal Court (Dismissed on 23 June 2021)**

Tan Sri Khalid subsequently filed an application for leave at the Federal Court to appeal against the Court of Appeal’s decision dated 11 February 2021 in allowing Puncak’s appeal. The leave application was fixed for case management on 8 April 2021.

On 8 April 2021, the Federal Court fixed the next case management on 13 April 2021.

At the case management at the Federal Court on 13 April 2021, the Federal Court scheduled the said motion for an online hearing on 23 June 2021. A further case management was fixed on 4 June 2021 for parties to file written submissions for the said motion.

On 23 April 2021, a further case management of Tan Sri Khalid’s motion for leave to appeal to the Federal Court was fixed on 28 April 2021.

At the case management of Tan Sri Khalid’s motion for leave to appeal to the Federal Court on 28 April 2021, the Federal Court maintained the Hearing of the said motion on 23 June 2021.

At the case management of Tan Sri Khalid’s motion for leave to appeal to the Federal Court on 4 June 2021, the Federal Court directed parties to file written submissions on 8 June 2021. The next case management is fixed on 16 June 2021.

At the case management of Tan Sri Khalid’s motion for leave to appeal to the Federal Court on 16 June 2021, the Federal Court maintained the hearing date for the matter on 23 June 2021.

At the case management of Tan Sri Khalid’s motion for leave to appeal to the Federal Court on 23 June 2021, the Federal Court dismissed the motion with costs of RM30,000.00 to be paid by Tan Sri Khalid to Puncak within 14 days. The said sum was subsequently paid to Puncak.

## Notes to the Financial Statements

### 35. MATERIAL LITIGATIONS (CONTINUED)

#### (IV) PNCSB

##### **Notice of Adjudication issued under the Construction Industry Payment & Adjudication Act 2012, ("CIPAA") to the Company's wholly-owned subsidiary, PNCSB**

##### **(1) Notice of Adjudication dated 11 February 2020 issued under CIPAA to PNCSB**

PNCSB, a wholly-owned subsidiary of Puncak, had on 12 February 2020 received a Notice of Adjudication dated 11 February 2020 to refer disputes arising from alleged payment claim under Section 7 and 8 under the Construction Industry Payment & Adjudication Act 2012 ("CIPAA") from its sub-contractor, Mersing Construction & Engineering Sdn. Bhd. ("Mersing"). The alleged payment claim is for the sum of RM2,723,839.04 for the project "Supply And Lay Network Sewerage Pipe At Zone 3 & 3A For Pembinaan Rangkaian Paip Pembetulan Di Bunus, Kuala Lumpur" ("D44 Project") together with interest and cost in relation to the adjudication proceedings. PNCSB has instructed its solicitors to contest the matter.

On 4 March 2020, the adjudicator appointed by the Director of the Asian International Arbitration Court accepted the appointment to act as Adjudicator in respect of the Notice of Adjudication dated 11 February 2020.

On 4 August 2020, the Adjudicator delivered the Adjudication Decision dated 4 August 2020 wherein PNCSB was required to pay Mersing RM2,578,346.30 only (inclusive of fees and costs). PNCSB sought legal advice on the next course of action available to it with regards to the outcome of the Adjudication Decision.

On 18 August 2020, PNCSB filed an application to the Kuala Lumpur High Court to set aside and to stay the Adjudication Decision dated 4 August 2020 ("Setting Aside Application"). The matter was fixed for case management on 4 September 2020 and 6 October 2020.

The case management on 6 October 2020 was subsequently vacated by the Kuala Lumpur High Court and the next case management was fixed on 30 October 2020.

On 30 October 2020, the Kuala Lumpur High Court fixed the hearing of the Setting Aside Application on 26 November 2020.

At the hearing on 26 November 2020, the Kuala Lumpur High Court reserved its decision to be delivered on 24 December 2020.

On 24 December 2020, the Kuala Lumpur High Court dismissed the Setting Aside Application and consequently enforced the Adjudication Decision dated 4 August 2020 in favour of Mersing with cumulative costs of RM10,000.00 to Mersing.

On 12 January 2021, PNCSB's solicitors had, on behalf of PNCSB, filed an appeal on the Kuala Lumpur High Court's Decision on Setting Aside Application, at the Court of Appeal ("PNCSB's Appeal on Kuala Lumpur High Court's Decision on Setting Aside Application").

On 2 February 2021, the Court of Appeal fixed the case management on PNCSB's Appeal on Kuala Lumpur High Court's Decision on Setting Aside Application on 4 March 2021. On 4 March 2021, the Court of Appeal fixed the next case management on PNCSB's Appeal on Kuala Lumpur High Court's Decision on Setting Aside Application on 5 May 2021.

On 5 May 2021, the Court of Appeal fixed the next management on PNCSB's Appeal on Kuala Lumpur High Court's Decision on Setting Aside Application on 4 August 2021.

On 4 August 2021, the Court of Appeal fixed the next management on PNCSB's Appeal on Kuala Lumpur High Court's Decision on Setting Aside Application on 6 October 2021.

## Notes to the Financial Statements

### 35. MATERIAL LITIGATIONS (CONTINUED)

#### (IV) PNCSB (continued)

#### **Notice of Adjudication issued under the Construction Industry Payment & Adjudication Act 2012, (“CIPAA”) to the Company’s wholly-owned subsidiary, PNCSB (continued)**

##### **(1) Notice of Adjudication dated 11 February 2020 issued under CIPAA to PNCSB (continued)**

At the case management of PNCSB’s Appeal on Kuala Lumpur High Court’s Decision on Setting Aside Application on 6 October 2021, the Court of Appeal fixed the next case management on 15 March 2022. The Court of Appeal also fixed the hearing date of PNCSB’s Appeal on Kuala Lumpur High Court’s Decision on Setting Aside Application on 30 March 2022.

At the hearing of PNCSB’s Appeal on Kuala Lumpur High Court’s Decision on Setting Aside Application at the Court of Appeal on 30 March 2022, the Court of Appeal directed parties to file further submissions and the matter was fixed for further case management on 1 April 2022.

At the case management of PNCSB’s Appeal on Kuala Lumpur High Court’s Decision on Setting Aside Application at the Court of Appeal on 1 April 2022, the Court of Appeal directed parties to file further submissions on or before 2 August 2022. The Court of Appeal also fixed the next case management on 2 August 2022 and fixed the matter for decision on 2 September 2022.

The date of decision of PNCSB’s Appeal on Kuala Lumpur High Court’s Decision on Setting Aside Application at the Court of Appeal was subsequently rescheduled by the Court of Appeal from 2 September 2022 to 8 August 2022 and the case management fixed on 2 August 2022 was vacated by the Court of Appeal.

The Court of Appeal had on 8 August 2022 dismissed PNCSB’s Appeal on Kuala Lumpur High Court’s Decision on Setting Aside Application with costs of RM20,000.00 to Mersing.

#### **Two (2) Notices of Arbitration issued under the KLRCA in accordance with the Arbitration Act 2005 and Arbitration (Amendment) Act 2011 to PNCSB**

##### **(1) Notice of Arbitration dated 17 June 2016 issued under KLRCA in accordance with the Arbitration Act 2005 and Arbitration (Amendment) Act 2011 to PNCSB**

On 20 June 2016, PNCSB received a Notice of Arbitration dated 17 June 2016 from Genbina to refer the disputes or differences arising from the termination of the contract contained in a Letter of Award and its Addendums (“Contract”) and an Operate, Maintain and Service Agreement under the Contract (“OMSA”) for the D44 Project to arbitration under KLRCA in accordance to the Arbitration Act 2005 and the Arbitration (Amendment) Act 2011 for the alleged sum of RM119,699,168.11 together with the damages, interest, costs as such other relief as the learned arbitrator deems fit or proper and PNCSB instructed its solicitor to contest the matter.

On 18 July 2016, PNCSB issued a response to Genbina’s Notice of Arbitration dated 17 June 2016 through its solicitors. In summary, PNCSB’s response denied the claims asserted by Genbina in its Notice of Arbitration dated 17 June 2016 as well as raised numerous set-offs and/or counterclaim against Genbina’s claims in its Notice of Arbitration dated 17 June 2016.

## Notes to the Financial Statements

### 35. MATERIAL LITIGATIONS (CONTINUED)

#### (IV) PNCSB (continued)

##### **Two (2) Notices of Arbitration issued under the KLRCA in accordance with the Arbitration Act 2005 and Arbitration (Amendment) Act 2011 to PNCSB (continued)**

##### **(2) Notice of Arbitration dated 17 June 2016 issued under the KLRCA in accordance with the Arbitration Act 2005 and Arbitration (Amendment) Act 2011 to PNCSB**

On 20 June 2016, PNCSB received a Notice of Arbitration dated 17 June 2016 from Genbina to refer the disputes or differences arising from the termination of the Contract and an OMSA for the D44 Project to arbitration under KLRCA in accordance to the Arbitration Act 2005 and the Arbitration (Amendment) Act 2011 for the alleged sum of RM24,171,671.43 together with the damages, interest, costs as such other relief as the learned arbitrator deems fit or proper and PNCSB has instructed its solicitor to contest the matter.

On 18 July 2016, PNCSB issued a response to Genbina's Notice of Arbitration dated 17 June 2016 through its solicitors. In summary, PNCSB's response denied the claims asserted by Genbina in its Notice of Arbitration dated 17 June 2016 as well as raised numerous set-offs and/or counterclaim against Genbina's claims in its Notice of Arbitration dated 17 June 2016.

##### **Three (3) Notices of Arbitration issued under the KLRCA in accordance with the Arbitration Act 2005 and Arbitration (Amendment) Act 2011 by PNCSB**

PNCSB had on 18 July 2016 issued three (3) separate Notices of Arbitration dated 18 July 2016 to Genbina to refer the disputes or differences arising from the termination of the Contract, an OMSA and Workers' Agreement dated 12 October 2015 ("Workers' Agreement") relating to the D44 Project to arbitration.

The details of the Notices of Arbitration dated 18 July 2016 issued by PNCSB to Genbina are as follows:

- (i) In respect of the Notice of Arbitration arising from the Contract, PNCSB has suffered loss and damage and continues to incur loss and damage arising from Genbina's breaches under the Contract which led to PNCSB's termination of the Contract. PNCSB seeks to recover the loss and damage suffered by PNCSB from Genbina in the arbitration;
- (ii) In respect of the Notice of Arbitration arising from the OMSA, PNCSB has suffered loss and damage and continues to incur loss and damage arising from Genbina's wrongful acts under the OMSA over Genbina's failure to return the Machineries & Equipment belonging to PNCSB under the OMSA, unlawfully removing the said Machineries & Equipment from the D44 Project site and wrongfully detaining them. PNCSB seeks to recover the loss and damage suffered by PNCSB from Genbina in the arbitration; and
- (iii) In respect of the Notice of Arbitration arising from the Workers' Agreement, PNCSB has suffered loss and damage and continues to incur loss and damage arising from Genbina's breach of the Workers' Agreement over Genbina's failure and/or refusal to pay the foreign workers' salaries and to bear all direct and incidental costs for their repatriation, amongst others. PNCSB seeks to recover its loss and damage suffered from Genbina in the arbitration.

PNCSB has asserted that it has suffered losses and damage arising from Genbina's breaches and wrongful acts under the Contract, OMSA and Workers' Agreement and is preparing a counterclaim against Genbina, which PNCSB has assessed and estimated to be in the region of RM152.2 million.

The two (2) separate arbitrations initiated by Genbina and the three (3) separate arbitrations initiated by PNCSB had been consolidated into a single arbitration proceeding. The arbitral tribunal was constituted and a preliminary meeting was called on 5 July 2017 wherein parties were given directions to move the arbitration forward.



## Notes to the Financial Statements

### 35. MATERIAL LITIGATIONS (CONTINUED)

#### (IV) PNCSB (continued)

##### **Three (3) Notices of Arbitration issued under the KLRCA in accordance with the Arbitration Act 2005 and Arbitration (Amendment) Act 2011 by PNCSB (continued)**

The arbitral tribunal confirmed the hearing dates for the arbitration on 24 May 2021, 25 May 2021, 27 May 2021, 28 May 2021 and 31 May 2021 which were subsequently vacated and the arbitral tribunal fixed the new hearing dates on 20 December 2021 to 23 December 2021 and 28 December to 31 December 2021.

At the case management held on 13 December 2021, the Arbitral Panel vacated the hearing dates fixed on 20 December 2021 to 23 December 2021 and 31 December 2021. The Arbitral Panel further fixed a new hearing date on 27 December 2021 and maintained the hearing dates of 28 December 2021 to 30 December 2021 fixed previously for the arbitration proceeding.

The Arbitral Panel subsequently vacated the hearing dates fixed on 27 December 2021 to 30 December 2021. A case management was held by the Arbitral Panel on 27 December 2021 for further directions to be given in the arbitration proceedings.

No further directions were given by the Arbitral Panel at the case management held on 27 December 2021 as parties are to propose mutual hearing dates for the Arbitral Panel's consideration by 31 December 2021.

The continued hearing dates for the arbitration have been scheduled on 20 December 2022 to 23 December 2022, 30 January 2023 to 31 January 2023 and 2 February 2023 to 3 February 2023.

The hearing dates for the arbitration previously fixed on 20 December 2022 to 23 December 2022 were vacated by the Arbitral Tribunal. The hearing on 21 December 2022 was converted to a case management wherein the Arbitral Tribunal has fixed additional hearing dates in 2023 on 16 October 2023 to 20 October 2023 and 30 October 2023 to 3 November 2023.

The Arbitral Tribunal has vacated the hearing dates previously fixed on 30 and 31 January 2023 for the arbitration proceeding.

The hearing proceeded on 2 February 2023 to 3 February 2023.

The Arbitral Tribunal has fixed additional hearing dates on 11 to 12 April 2023 for the arbitration proceeding.

The continued hearing dates for the arbitration previously fixed on 16 October 2023 to 20 October 2023 and 30 October 2023 to 3 November 2023 are maintained.

##### **Notice of Arbitration dated 26 October 2020 issued under AIAC in accordance with the Arbitration Act 2005 and Arbitration (Amendment) Act 2011 to Mersing Construction and Engineering Sdn. Bhd.**

Puncak Niaga Construction Sdn Bhd ("PNCSB"), a wholly-owned subsidiary of Puncak had on 26 October 2020 issued a Notice of Arbitration dated 26 October 2020 against one of its sub-contractors for the D44 Project, Mersing Construction and Engineering Sdn Bhd ("Mersing"), to refer disputes relating to the true value of works carried out by Mersing up to 30 September 2020 as well as the value of PNCSB's entitlement to backcharges and/or deductions to be determined by the arbitral tribunal.

## Notes to the Financial Statements

### 35. MATERIAL LITIGATIONS (CONTINUED)

#### (IV) PNCSB (continued)

##### **Notice of Arbitration dated 26 October 2020 issued under AIAC in accordance with the Arbitration Act 2005 and Arbitration (Amendment) Act 2011 to Mersing Construction and Engineering Sdn. Bhd. (continued)**

The details of the Notice of Arbitration issued by PNCSB are as follows:

- (i) To seek a determination of the true value of work carried out by Mersing up to 30 September 2020, to determine the value of PNCSB's entitlement to backcharges and/or deductions, a declaration that Mersing is not entitled to any payment as determined in the adjudication decision dated 4 August 2020 ("Adjudication Decision") together with damages, interest and costs; and
- (ii) Further to the above and in the event any payment has been made pursuant to the Adjudication Decision, that such payment (or any sum thereto) shall be refunded to PNCSB.

PNCSB had subsequently issued a commencement request to the Asian International Arbitration Centre ("AIAC") to commence the arbitration on 27 October 2020 and had also applied to the Kuala Lumpur High Court to stay the Adjudication Decision dated 4 August 2020 pending final determination of the dispute between PNCSB and Mersing by arbitration ("Stay Application").

The Stay Application was fixed for case management on 30 October 2020.

On 30 October 2020, the Kuala Lumpur High Court fixed the hearing of the Stay Application on 26 November 2020.

At the hearing on 26 November 2020, the Kuala Lumpur High Court reserved its decision to be delivered on 24 December 2020.

On 24 December 2020, the Kuala Lumpur High Court dismissed the Stay Application with costs of RM5,000.00 to Mersing.

On 12 January 2021, PNCSB's solicitors had, on behalf of PNCSB, filed an appeal on the Kuala Lumpur High Court's Decision on Stay Application, at the Court of Appeal ("PNCSB's Appeal on Kuala Lumpur High Court's Decision on Stay Application").

On 2 February 2021, the Court of Appeal fixed the case management on PNCSB's Appeal on Kuala Lumpur High Court's Decision on Stay Application on 4 March 2021.

On 4 March 2021, the Court of Appeal fixed the next case management on PNCSB's Appeal on Kuala Lumpur High Court's Decision on Stay Application on 5 May 2021.

On 5 May 2021, the Court Appeal fixed next case management on PNCSB's Appeal on Kuala Lumpur High Court's Decision on Stay Application on 4 August 2021.

On 4 August 2021, the Court Appeal fixed next case management on PNCSB's Appeal on Kuala Lumpur High Court's Decision on Stay Application on 6 October 2021.

At the case management of PNCSB's Appeal on Kuala Lumpur High Court's Decision on Stay Application on 6 October 2021, the Court of Appeal fixed the next case management on 15 March 2022. The Court of Appeal also fixed the hearing date of PNCSB's Appeal on Kuala Lumpur High Court's Decision on Stay Application on 30 March 2022.

On 25 October 2021, Puncak announced that PNCSB has withdrawn PNCSB's Appeal on Kuala Lumpur High Court's Decision on Stay Application vide the filing of the Notice of Discontinuance at the Court of Appeal on 21 October 2021 and duly confirmed by the Court of Appeal on 22 October 2021.

## Notes to the Financial Statements

### 35. MATERIAL LITIGATIONS (CONTINUED)

#### (IV) PNCSB (continued)

##### **Two (2) Notices of Assessment issued by the Inland Revenue Board (“IRB”) in accordance with the Income Tax Act 1967 (“ITA”) to PNCSB**

On 3 December 2020, a wholly-owned subsidiary of Puncak, PNCSB filed a judicial review application at the Kuala Lumpur High Court (“Judicial Review Application”) to challenge the notices of assessment known as Form G which PNCSB received from the IRB on 23 November 2020 for the Years of Assessment 2017 and 2018 amounting to RM2,292,182.64 and RM1,988,472.96 respectively (hereinafter referred to as “Notices”). These Notices were issued by the IRB under Section 44A(9) of the ITA consequent to the IRB’s decision to disallow the losses surrendered by PNCSB to another related company which is also a wholly-owned subsidiary of Puncak, namely PNMSSB under the group relief scheme.

Based on the legal advice obtained from its tax solicitors, PNCSB is of the view that it has good basis in law to contend that the Notices were erroneously and arbitrarily raised by the IRB. Accordingly, PNCSB had commenced the legal avenues available to challenge the Notices including the Judicial Review Application which commenced on 3 December 2020 against the Minister of Finance.

On 16 December 2020, the Kuala Lumpur High Court fixed PNCSB’s Judicial Review Application for leave hearing on 7 January 2021.

On 7 January 2021, the Kuala Lumpur High Court fixed PNCSB’s Judicial Review Application for hearing on 2 March 2021. The Kuala Lumpur High Court also granted an interim stay of enforcement of the Form G on PNCSB until the hearing date on 2 March 2021. In the meantime, no taxes are payable by PNCSB since the interim stay had been granted.

The hearing of PNCSB’s Judicial Review Application which was initially fixed on 2 March 2021 at the Kuala Lumpur High Court was vacated. The Kuala Lumpur High Court granted an interim stay of the enforcement on the Form G on PNCSB until the hearing of PNCSB’s Judicial Review Application and the case management for the Inland Revenue Board’s application to intervene on 20 April 2021. In the meantime, no taxes are payable by PNCSB since the interim stay had been granted.

At the case management for PNCSB’s Judicial Review Application on 20 April 2021, the Kuala Lumpur High Court dismissed the inland Revenue Board’s application to intervene and subsequently granted an interim stay of the enforcement of the Form G on PNCSB until the hearing of PNCSB’s Judicial Review Application on 2 June 2021. In the meantime, no taxes are payable by PNCSB since the interim stay have been granted.

The Director General of Inland Revenue (“DGIR”) subsequently filed an appeal to the Court of Appeal in relation to the Kuala Lumpur High Court’s decision dated 20 April 2021 to dismiss the Inland Revenue Board’s application to intervene in PNCSB’s Judicial Review Application. A copy of DGIR’s notice of appeal dated on 5 May 2021 was served to PNCSB solicitors on 10 May 2021.

In light of the Movement Control Order that is in force, the hearing of PNCSB Judicial Review Application which were initially fixed on 2 June 2021 and 16 August 2021 were vacated. The Kuala Lumpur High Court granted an interim stay of enforcement of Form G on PNCSB until the hearing of PNCSB’s Judicial Review Application on 17 January 2022. In the meantime, no taxes are payable by PNCSB since the interim stay have been granted.

The hearing of PNCSB’s Judicial Review Application fixed on 17 January 2022 was vacated and the Kuala Lumpur High Court fixed a new hearing date on 13 June 2022. An interim stay of the enforcement of Form G on PNCSB was granted by the Kuala Lumpur High Court until the hearing of PNCSB’s Judicial Review Application on 13 June 2022. In the meantime, no taxes are payable by PNCSB.

The hearing of PNCSB’s Judicial Review Application which was initially fixed on 13 June 2022 was converted into a case management upon the respondent’s, the Ministry of Finance’s request. At the case management, the Kuala Lumpur High Court directed parties to attend the leave hearing fixed on 20 October 2022. An interim stay of the enforcement of Form G on PNCSB was granted by the Kuala Lumpur High Court until the hearing of PNCSB’s Judicial Review Application on 20 October 2022. In the meantime, no taxes are payable by PNCSB.

## Notes to the Financial Statements

### 35. MATERIAL LITIGATIONS (CONTINUED)

#### (IV) PNCSB (continued)

##### **Two (2) Notices of Assessment issued by the Inland Revenue Board ("IRB") in accordance with the Income Tax Act 1967 ("ITA") to PNCSB (continued)**

Upon the Kuala Lumpur High Court's instruction, the hearing of PNCSB's Judicial Review Application which was initially fixed on 20 October 2022 has been rescheduled to 30 November 2022. An interim stay of the enforcement of Form G on PNCSB was also granted by the Kuala Lumpur High Court until the hearing of PNCSB's Judicial Review Application on 30 November 2022. In the meantime, no taxes are payable by PNCSB.

Upon the Kuala Lumpur High Court's instruction, the hearing of PNCSB's Judicial Review Application which was fixed on 30 November 2022 was rescheduled to 30 March 2023. An interim stay of the enforcement of Form G on PNCSB was also granted by the Kuala Lumpur High Court until the hearing of PNCSB's Judicial Review Application on 30 March 2023. In the meantime, no taxes are payable by PNCSB.

Upon the Kuala Lumpur High Court's instruction, the hearing of PNCSB's Judicial Review Application was rescheduled from 30 March 2023 to 13 July 2023. An interim stay of the enforcement of Form G on PNCSB was also granted by the Kuala Lumpur High Court until the hearing of PNCSB's Judicial Review Application on 13 July 2023. In the meantime, no taxes are payable by PNCSB.

##### **Application to the Court of Appeal by IRB to Intervene in PNCSB's Judicial Review Application ("IRB's Application to Intervene in PNCSB's Judicial Review Application")**

At the first case management of the IRB's Application to Intervene in PNCSB's Judicial Review Application at the Court of Appeal on 18 August 2021, the IRB requested for more time to file an additional record of appeal. Thereafter, the Court of Appeal directed parties to attend the next case management fixed on 28 September 2021.

At the case management of the IRB's Application to Intervene in PNCSB's Judicial Review Application at the Court of Appeal on 28 September 2021, PNCSB's solicitor requested for more time to finalise the notes of proceedings as the IRB had sent the draft notes of proceedings to PNCSB's solicitor on 27 September 2021. Thereafter, the Court of Appeal directed parties to attend the next case management fixed on 2 November 2021.

At the case management of the IRB's Application to Intervene in PNCSB's Judicial Review Application at the Court of Appeal on 2 November 2021, the Court of Appeal directed that the case be heard together with another similar IRB appeal case at the Court of Appeal at the hearing fixed on 14 December 2021. The Court of Appeal also fixed the next case management on 23 November 2021 for parties to update the Court on the filing of the written submissions.

At the hearing of the IRB's Application to Intervene in PNCSB's Judicial Review Application at the Court of Appeal on 14 December 2021, the Court of Appeal allowed the DGIR's appeal with costs to the cause. Since the interim stay of the enforcement of the Form G on PNCSB granted by the Kuala Lumpur High Court is still in force until the hearing of PNCSB's Judicial Review Application, no taxes are payable by PNCSB in the meantime.

##### **PNCSB's Appeal to the Federal Court in relation to the Court of Appeal's Decision Dated 14 December 2021 in relation to the IRB's Application to intervene in PNCSB's Judicial Review Application**

PNCSB had filed a notice of motion on 12 January 2022 to the Federal Court for leave to appeal against the Court of Appeal's decision on 14 December 2021 in allowing the IRB's Application to intervene in PNCSB's Judicial Review Application against the Minister of Finance ("PNCSB's Appeal to the Federal Court").

At the case management on 11 February 2022, the Federal Court directed parties to attend the next case management on 18 February 2022 to fix the hearing date of PNCSB's Appeal to the Federal Court.

## Notes to the Financial Statements

### 35. MATERIAL LITIGATIONS (CONTINUED)

#### (IV) PNCSB (continued)

##### **Two (2) Notices of Assessment issued by the Inland Revenue Board ("IRB") in accordance with the Income Tax Act 1967 ("ITA") to PNCSB (continued)**

##### **PNCSB's Appeal to the Federal Court in relation to the Court of Appeal's Decision Dated 14 December 2021 in relation to the IRB's Application to intervene in PNCSB's Judicial Review Application (continued)**

At the case management on 18 February 2022, the Federal Court directed parties to attend the next case management on 9 May 2022 and fixed the hearing date of PNCSB's Appeal to the Federal Court on 24 May 2022.

At the hearing of PNCSB's Appeal to the Federal Court on 24 May 2022, the Federal Court dismissed PNCSB's motion for leave with cost of RM15,000.00 to be given to IRB subject to allocator fee.

##### **PNCSB's Tax Appeal to the Special Commissioners of Income Tax ("SCIT") ("PNCSB's Tax Appeal to SCIT") (Appeal No. MOF.PKCP.700.7/1/1303-1304(2021))**

At the first mention on 28 September 2021 before the Special Commissioners of Income Tax ("SCIT") in respect of the tax appeal by PNCSB against the notices of assessment known as Form G issued by the IRB to PNCSB for the Years of Assessment 2017 and 2018 amounting to RM2,292,182.64 and RM1,988,472.96 respectively ("PNCSB's Tax Appeal to SCIT"), the SCIT directed parties to file the cause papers by 28 December 2021 and fixed the next case management on 28 December 2021.

At the case management on 28 December 2021, the SCIT fixed the next case management on 2 March 2022 to update the SCIT on the filing of the cause papers.

At the case management on 2 March 2022, the SCIT fixed the next case management on 17 May 2022 to update the SCIT on the filing of the cause papers.

At the case management on 17 May 2022, the SCIT fixed the next case management on 19 July 2022 to update the SCIT on the filing of the cause papers.

At the case management on 19 July 2022, the SCIT fixed the next case management on 20 September 2022 for parties to update the SCIT on the filing of the cause papers.

At the case management on 20 September 2022, the SCIT fixed the next case management on 20 December 2022 for parties to update the filing of the cause papers.

The case management which was originally fixed on 20 December 2022 was brought forward to 15 December 2022 by the SCIT. The SCIT has fixed the next case management on 17 January 2023 for parties to update the filing of the cause papers.

At the case management on 17 January 2023 on PNCSB's Tax Appeal to SCIT, the SCIT fixed the trial dates on 28 and 29 February 2024.



## Notes to the Financial Statements

### 35. MATERIAL LITIGATIONS (CONTINUED)

#### (V) Puncak Niaga Management Services Sdn. Bhd. ("PNMSSB")

**Three (3) Bills of Demand issued under the Royal Malaysian Customs Department Selangor ("RMCD") in accordance with the Goods and Services Tax Act 2014 to PNMSSB**

##### (i) Bill of Demand dated 21 October 2019 issued under RMCD in accordance with the GST Act 2014 to PNMSSB

On 23 October 2019, a wholly-owned subsidiary, PNMSSB received a Bill of Demand from RMCD dated 21 October 2019, demanding for Goods and Services Tax in the sum of RM850,645.23 for the period between 1 January 2018 and 31 August 2018 ("Demand"). PNMSSB sought advice from its tax agent and solicitors on the next course of action. Based on the preliminary advice received, PNMSSB will contest and appeal against the Demand.

On 31 October 2019, PNMSSB filed to commence a judicial review application ("Application") against RMCD to set aside the Bill of Demand dated 21 October 2019.

At the case management on 5 November 2019, the Court fixed the hearing of the Application on 8 January 2020 and granted an interim order to stay the enforcement and effect of Bill of Demand pending the disposal of the Application.

At the hearing on 8 January 2020, the Court granted leave for the Application and an order to stay the enforcement and effect of the Bill of Demand pending the disposal of the substantive hearing of the Application.

At the case management on 5 February 2020, the Registrar directed parties to attend another case management on 17 April 2020 to obtain the Court's directions on the filling of cause papers in respect of the Application.

At the case management on 17 June 2020, the Court maintained the interim stay previously granted by Court of all further proceedings including the enforcement and effect of the Bill of Demand dated 21 October 2019 as the Application is currently put on hold pending the disposal of the other Application against RMCD for the two (2) Bills of Demand dated 18 December 2019.

At the case management on 7 October 2020, the Court fixed the next case management of the Application on 18 January 2021.

At the case management on 18 January 2021, the Court fixed the case management of the Application on 8 March 2021.

At the case management on 8 March 2021, the Court fixed the case management of the Application on 3 June 2021.

The Court vacated the case management of the Application fixed on 3 June 2021 and fixed the next case management of the Application on 16 June 2021.

At the case management on 16 June 2021, the Court fixed the hearing of the Application against RMCD on 27 September 2021 and granted the interim stay order to stay the enforcement and effect of the Bill of Demand dated 21 October 2019 until 27 September 2021.

The Court subsequently vacated the hearing of the Application originally fixed on 27 September 2021 and fixed a case management on 23 September 2021 for parties to fix a new hearing date for the Application against RMCD.

At the case management on 23 September 2021, the Court fixed the hearing of the Application against RMCD on 16 December 2021 and granted the interim stay order to stay the enforcement and effect of the Bill of Demand dated 21 October 2019 until 16 December 2021.

## Notes to the Financial Statements

### 35. MATERIAL LITIGATIONS (CONTINUED)

#### (V) Puncak Niaga Management Services Sdn. Bhd. ("PNMSSB") (continued)

##### Three (3) Bills of Demand issued under the Royal Malaysian Customs Department Selangor ("RMCD") in accordance with the Goods and Services Tax Act 2014 to PNMSSB (continued)

##### (i) Bill of Demand dated 21 October 2019 issued under RMCD in accordance with the GST Act 2014 to PNMSSB (continued)

The hearing of the Application against RMCD fixed on 16 December 2021 was vacated as the presiding judge for the matter has been transferred out of the Shah Alam High Court to the Kuala Lumpur High Court.

In the meantime, at the hearing of PNMSSB's application to extend the interim stay order to stay the enforcement and effect of the Bill of Demand dated 21 October 2019 in light of the substantive hearing of the Application against RMCD being vacated at the Shah Alam High Court on 16 December 2021 before a different judge, the Shah Alam High Court granted PNMSSB an interim stay of all further proceedings until the disposal of the Application against RMCD.

The Shah Alam High Court has fixed the hearing of PNMSSB's Application against RMCD on 23 May 2022 before a new judge. The Shah Alam High Court had previously granted PNMSSB an interim stay of all further proceedings until the disposal of the hearing of the Application against RMCD.

At the hearing of PNMSSB's Application against RMCD on 23 May 2022, the Shah Alam High Court fixed the matter for decision on 26 August 2022. In the meantime, the interim stay against the enforcement of the Bill of Demand previously granted by the Shah Alam High Court will continue to be in effect until the disposal of the matter.

The decision fixed for 26 August 2022 was postponed to 19 October 2022 and subsequently postponed again to 22 November 2022 by the Shah Alam High Court. The decision fixed on 22 November 2022 was subsequently converted to a clarification before the Shah Alam High Court Judge on 24 November 2022. The Shah Alam High Court has fixed the decision of PNMSSB's Application against RMCD on 29 December 2022. In the meantime, the interim stay against the enforcement of the Bill of Demand previously granted by the Shah Alam High Court will continue to be in effect until the disposal of the matter.

On 29 December 2022, the Shah Alam High Court had decided in favour of PNMSSB by allowing PNMSSB's Application against RMCD with no order as to costs.

Following the Shah Alam High Court's decision made on 29 December 2022 in favour of PNMSSB by allowing PNMSSB's Application against RMCD, the Attorney General's Chambers had filed an appeal to the Court of Appeal on 26 January 2023 ("Appeal") and the sealed copy of the Appeal was received by PNMSSB's solicitors, on behalf of PNMSSB, on 30 January 2023.

##### Civil Appeal No: B-01(A)-44-01/2023

The Attorney General's Chambers has served a copy of the Record of Appeal which was received by PNMSSB's solicitors, on behalf of PNMSSB, on 24 March 2023. The Court of Appeal has fixed the case management for the Appeal on 26 April 2023.

## Notes to the Financial Statements

### 35. MATERIAL LITIGATIONS (CONTINUED)

#### (V) Puncak Niaga Management Services Sdn. Bhd. ("PNMSSB") (continued)

##### **Three (3) Bills of Demand issued under the Royal Malaysian Customs Department Selangor ("RMCD") in accordance with the Goods and Services Tax Act 2014 to PNMSSB (continued)**

##### **(ii) Bills of Demand dated 18 December 2019 issued under RMCD in accordance with the GST Act 2014 to PNMSSB**

PNMSSB had on 18 December 2019 received two (2) Bills of Demand both dated 18 December 2019 from RMCD, demanding for Goods and Services Tax in the aggregate sum of RM5,268,924.68 for the period between 1 February 2016 to 31 December 2017.

On 30 December 2019, PNMSSB filed a judicial review application ("Application") against RMCD to set aside the Bill of Demand.

At the case management on 7 January 2020, the Registrar fixed a further case management before the learned Judge on 14 January 2020 for parties to record an interim order to stay the enforcement and effect of the Bills of Demand pending the hearing of the Application.

At the case management on 14 January 2020, the learned Judge granted an interim stay order to stay the enforcement and effect of the Bills of Demand pending the hearing of the Application. The learned Judge also directed both parties to attend a case management on 5 February 2020 to fix a hearing date for the Application.

At the case management held on 5 February 2020, the Registrar fixed the hearing of the Application on 17 April 2020. The Registrar also fixed another case management on 31 March 2020 for parties to update the Registrar on the filling at the relevant cause papers.

The Court subsequently vacated the hearing scheduled on 17 April 2020 and fixed a case management before the Registrar on 29 April 2020 for parties to fix a new hearing date for the Application.

Due to the Extended Movement Control Order imposed by the Government due to the COVID-19 outbreak, the Court subsequently fixed the case management on 4 June 2020.

At the case management on 4 June 2020, the Registrar directed the parties to attend another case management on 17 June 2020 for the parties to fix a hearing date for the Application.

At the case management on 17 June 2020, the Court fixed the hearing of the Application on 28 August 2020. The interim stay of all further proceedings including the enforcement and effect of the Bills of Demand previously granted by the Court remain in force pending the disposal of the Application.

The Court had subsequently vacated the hearing date of the Application on 28 August 2020 and fixed a new hearing date on 24 September 2020. The interim stay of all further proceedings including the enforcement and effect of the Bills of Demand previously granted by the Court remain in force pending the disposal of the Application.

On 24 September 2020, the Court fixed the next case management of the Application on 7 October 2020.

At the case management on 7 October 2020, the Court renewed the interim order to stay the enforcement and effect of the two (2) Bills of Demand dated 18 December 2019 which was previously granted on 24 September 2020. The Court fixed the next case management of the Application on 18 January 2021. In the meantime, the interim stay order will be renewed every two (2) weeks until the hearing date.

At the case management on 18 January 2021, the Court fixed the case management of the Application on 8 March 2021.

## Notes to the Financial Statements

### 35. MATERIAL LITIGATIONS (CONTINUED)

#### (V) Puncak Niaga Management Services Sdn. Bhd. ("PNMSSB") (continued)

##### Three (3) Bills of Demand issued under the Royal Malaysian Customs Department Selangor ("RMCD") in accordance with the Goods and Services Tax Act 2014 to PNMSSB (continued)

##### (ii) Bills of Demand dated 18 December 2019 issued under RMCD in accordance with the GST Act 2014 to PNMSSB (continued)

On 8 March 2021, the Court fixed the next case management of the Application on 3 June 2021.

On 15 April 2021, the Court vacated the case management of the Application fixed on 3 June 2021 and fixed the next case management of the Application on 16 June 2021.

At the case management on 16 June 2021, the Court fixed the hearing of the Application against RMCD on 27 September 2021 and granted the interim stay order to stay the enforcement and effect of the two (2) Bills of Demand dated 18 December 2019 until 27 September 2021.

The Court subsequently vacated the hearing of the Application originally fixed on 27 September 2021 and fixed a case management on 23 September 2021 for parties to fix a new hearing date for the Application against RMCD.

At the case management on 23 September 2021, the Court fixed the hearing of the Application against RMCD on 16 December 2021 and granted the interim stay order to stay the enforcement and effect of the two (2) Bills of Demand dated 18 December 2019 until 16 December 2021.

The hearing of the Application against RMCD fixed on 16 December 2021 was vacated as the presiding judge for the matter had been transferred out of the Shah Alam High Court to the Kuala Lumpur High Court.

In the meantime, at the hearing of PNMSSB's application to extend the interim stay order to stay the enforcement and effect of the two (2) Bills of Demand dated 18 December 2019 in light of the substantive hearing of the Application against RMCD being vacated at the Shah Alam High Court on 16 December 2021 before a different judge, the Shah Alam High Court granted PNMSSB an interim stay of all further proceedings until the disposal of the Application against RMCD.

The Shah Alam High Court fixed the hearing of PNMSSB's Application against RMCD on 23 May 2022 before a new judge. The Shah Alam High Court had previously granted an interim stay of all further proceedings until the disposal of the hearing of the Application against RMCD.

At the hearing of PNMSSB's Application against RMCD on 23 May 2022, the Shah Alam High Court fixed the matter for decision on 26 August 2022. In the meantime, the interim stay against the enforcement of the Bills of Demand previously granted by the Shah Alam High Court will continue to be in effect until the disposal of the matter.

The decision fixed for 26 August 2022 was postponed to 19 October 2022 and subsequently postponed again to 22 November 2022 by the Shah Alam High Court. The decision fixed on 22 November 2022 was subsequently converted to a clarification before the Shah Alam High Court Judge on 24 November 2022. The Shah Alam High Court fixed the decision of PNMSSB's Application against RMCD on 29 December 2022. In the meantime, the interim stay against the enforcement of the Bills of Demand previously granted by the Shah Alam High Court will continue to be in effect until the disposal of the matter.

## Notes to the Financial Statements

### 35. MATERIAL LITIGATIONS (CONTINUED)

#### (V) Puncak Niaga Management Services Sdn. Bhd. ("PNMSSB") (continued)

##### **Three (3) Bills of Demand issued under the Royal Malaysian Customs Department Selangor ("RMCD") in accordance with the Goods and Services Tax Act 2014 to PNMSSB (continued)**

##### **(ii) Bills of Demand dated 18 December 2019 issued under RMCD in accordance with the GST Act 2014 to PNMSSB (continued)**

On 29 December 2022, the Shah Alam High Court had decided in favour of PNMSSB by allowing PNMSSB's Application against RMCD with no order as to costs.

Following the Shah Alam High Court's decision made on 29 December 2022 in favour of PNMSSB by allowing PNMSSB's Application against RMCD, the Attorney General's Chambers had filed an appeal to the Court of Appeal on 26 January 2023 ("Appeal") and the sealed copy of the Appeal was received by PNMSSB's solicitors, on behalf of PNMSSB, on 30 January 2023.

##### **Civil Appeal No: B-01(A)-45-01/2023**

The Attorney General's Chambers has served a copy of the Record of Appeal which was received by PNMSSB's solicitors, on behalf of PNMSSB, on 24 March 2023. The Court of Appeal has fixed the case management for the Appeal on 26 April 2023.

##### **Two (2) Notices of Assessment issued by the Inland Revenue Board ("IRB") in accordance with the Income Tax Act 1967 ("ITA") to PNMSSB**

On 3 December 2020, a wholly-owned subsidiary of Puncak, PNMSSB filed a judicial review application at the Kuala Lumpur High Court ("Judicial Review Application") to challenge the notices of assessment known as Form J which PNMSSB received from the IRB for the Years of Assessment 2017 and 2018 amounting to RM2,292,182.64 and RM1,988,472.96 respectively (hereinafter referred to as "Notices"). These Notices were issued by the IRB under Section 44A(9) of the ITA consequent to the IRB's decision to disallow the losses claimed by Puncak under the group relief scheme. The losses were surrendered by one of Puncak's wholly-owned subsidiary, PNCSB, which is a related company of PNMSSB, to PNMSSB.

Based on the legal advice obtained from its tax solicitors, PNMSSB was of the view that it has good basis in law to contend that the Notices were erroneously and arbitrarily raised by the IRB. Accordingly, PNMSSB commenced the legal avenues available to challenge the Notices including the Judicial Review Application which commenced on 3 December 2020 against the Minister of Finance.

On 10 December 2020, the Kuala Lumpur High Court fixed PNMSSB's Judicial Review Application for case management on 16 December 2020.

At the case management on 16 December 2020, the Kuala Lumpur High Court granted PNMSSB an interim stay until the next mention date on 13 January 2021.

At the case management on 13 January 2021, the Kuala Lumpur High Court granted an interim stay of the enforcement of the Form J on PNMSSB until the next case management on 18 January 2021. In the meantime, no taxes are payable by PNMSSB since the interim stay had been granted.

At the case management on 18 January 2021, the Kuala Lumpur High Court granted an interim stay of enforcement of the Form J on PNMSSB until the hearing of the IRB's application to intervene on 6 May 2021. In the meantime, no taxes are payable by PNMSSB since the interim stay had been granted.

At the hearing on PNMSSB's Judicial Review Application on 6 May 2021, the Kuala Lumpur High Court granted an interim stay of enforcement of the Form J on PNMSSB until the case management fixed on 19 May 2021. In the meantime, no taxes are payable by PNMSSB since the interim stay had been granted.



## Notes to the Financial Statements

### 35. MATERIAL LITIGATIONS (CONTINUED)

#### (V) Puncak Niaga Management Services Sdn. Bhd. ("PNMSSB") (continued)

##### **Two (2) Notices of Assessment issued by the Inland Revenue Board ("IRB") in accordance with the Income Tax Act 1967 ("ITA") to PNMSSB (continued)**

At the case management of PNMSSB's Judicial Review Application on 19 May 2021, the Kuala Lumpur High Court granted an interim stay of enforcement of the Form J on PNMSSB until the case management fixed on 10 June 2021. In the meantime, no taxes are payable by PNMSSB since the interim stay had been granted.

The case management on PNMSSB's Judicial Review Application which was initially fixed on 10 June 2021 was vacated and the matter was fixed for case management on 6 September 2021. The Kuala Lumpur High Court granted an interim stay of enforcement of the Form J on PNMSSB until the disposal of the leave hearing in respect of PNMSSB's Judicial Review Application. In the meantime, no taxes are payable by PNMSSB since the interim stay had been granted.

At the case management of PNMSSB's Judicial Review Application on 6 September 2021, the Kuala Lumpur High Court fixed the next case management on 18 November 2021. As the Kuala Lumpur High Court previously granted an interim stay of enforcement of the Form J on PNMSSB until the disposal of the leave hearing in respect of PNMSSB's Judicial Review Application. In the meantime, no taxes are payable by PNMSSB since the interim stay had been granted.

At the case management of PNMSSB's Judicial Review Application on 18 November 2021, the Kuala Lumpur High Court fixed the next case management on 21 December 2021. As the Kuala Lumpur High Court had previously granted an interim stay of the enforcement of the Form J on PNMSSB until the disposal of the leave hearing in respect of PNMSSB's Judicial Review Application, no taxes are payable by PNMSSB since the interim stay has been granted.

At the case management of PNMSSB's Judicial Review Application on 21 December 2021, the Kuala Lumpur High Court fixed the next case management on 17 March 2022. On 17 March 2022, the Kuala Lumpur High Court fixed the next case management on 1 June 2022. As the Kuala Lumpur High Court had previously granted an interim stay of the enforcement of the Form J on PNMSSB until the disposal of the leave hearing in respect of PNMSSB's Judicial Review Application, no taxes are payable by PNMSSB since the interim stay has been granted.

At the case management on 1 June 2022, the Kuala Lumpur High Court fixed the hearing of IRB's application to intervene in PNMSSB's Judicial Review Application on 5 September 2022. As the Kuala Lumpur High Court had previously granted an interim stay of the enforcement of the Form J on PNMSSB until the disposal of the leave hearing in respect of PNMSSB's Judicial Review Application, no taxes are payable by PNMSSB since the interim stay has been granted.

The hearing of IRB's application to intervene in PNMSSB's Judicial Review Application at the Kuala Lumpur High Court which was fixed for 5 September 2022 was converted into a case management and the Kuala Lumpur High Court has fixed the hearing of the IRB's application to intervene in PNMSSB's Judicial Review Application on 7 December 2022. As the Kuala Lumpur High Court had previously granted an interim stay of the enforcement of the Form J on PNMSSB until the disposal of the leave hearing in respect of PNMSSB's Judicial Review Application, no taxes are payable by PNMSSB since the interim stay has been granted.

At the hearing of IRB's application to intervene in PNMSSB's Judicial Review Application at the Kuala Lumpur High Court on 7 December 2022, the Kuala Lumpur High Court fixed the matter for decision on 16 February 2023. As the Kuala Lumpur High Court had previously granted an interim stay of the enforcement of the Form J on PNMSSB until the disposal of the leave hearing in respect of PNMSSB's Judicial Review Application, no taxes are payable by PNMSSB since the interim stay has been granted.

On 16 February 2023, the Kuala Lumpur High Court allowed the IRB's application to intervene in PNMSSB's Judicial Review Application with an order of cost in the cause. The Kuala Lumpur High Court also directed parties to attend a case management fixed on 28 March 2023 to obtain further instructions. As the Kuala Lumpur High Court had previously granted an interim stay of the enforcement of Form J on PNMSSB until the disposal of the leave hearing in respect of PNMSSB's Judicial Review Application, no taxes are payable by PNMSSB since the interim stay has been granted.

## Notes to the Financial Statements

### 35. MATERIAL LITIGATIONS (CONTINUED)

#### (V) Puncak Niaga Management Services Sdn. Bhd. ("PNMSSB") (continued)

##### **Two (2) Notices of Assessment issued by the Inland Revenue Board ("IRB") in accordance with the Income Tax Act 1967 ("ITA") to PNMSSB (continued)**

At the case management on 28 March 2023, the Kuala Lumpur High Court fixed the IRB's application to intervene in PNMSSB's Judicial Review Application for leave hearing on 18 September 2023. As the Kuala Lumpur High Court had previously granted an interim stay of the enforcement of Forms J on PNMSSB until the disposal of the leave hearing in respect of PNMSSB's Judicial Review Application, no taxes are payable by PNMSSB since the interim stay has been granted.

##### **Kuala Lumpur High Court Suit No. : WA-24NCVC-1885-10/2022 Director General of Inland Revenue ("Plaintiff") vs PNMSSB ("Defendant")**

The Director General of Inland Revenue ("DGIR") had on 6 October 2021 applied to set aside the interim stay order that was granted to PNMSSB on 10 June 2021 by the Kuala Lumpur High Court ("Interim Stay Order dated 10 June 2021") until the disposal of the leave hearing in respect of PNMSSB's Judicial Review Application. The matter is fixed for case management at the Kuala Lumpur High Court on 18 October 2021. PNMSSB has instructed its solicitors to represent PNMSSB in the matter and to oppose the DGIR's application to set aside the Interim Stay Order dated 10 June 2021.

At the case management at the Kuala Lumpur High Court on 18 October 2021, the Court fixed the next case management of the DGIR's Application to Set Aside the Interim Stay Order dated 10 June 2021 on 26 November 2021 for parties to update the Court on the status of the filing of affidavits.

At the case management at the Kuala Lumpur High Court on 26 November 2021, the Court fixed the hearing of the DGIR's Application to Set Aside the Interim Stay Order dated 10 June 2021 on 18 March 2022.

The hearing of the DGIR's Application to Set Aside the Interim Stay Order dated 10 June 2021 on 18 March 2022 was converted into a case management and the Kuala Lumpur High Court allowed the Plaintiff's withdrawal of the case with cost of RM1,000 to be given to PNMSSB subject to allocator fee.

##### **PNMSSB's Tax Appeal to the Special Commissioners of Income Tax ("SCIT") ("PNMSSB's Tax Appeal to SCIT") (Appeal No. MOF.PKCP.700.7/1/1301-1302(2021))**

At the first mentioned on 28 September 2021 before the Special Commissioners of Income Tax ("SCIT") in respect of the tax appeal by PNMSSB against the notices of assessment known as Form J issued by the IRB to PNMSSB for the Years of Assessment 2017 and 2018 amounting to RM2,292,182.64 and RM1,988,472.96 respectively ("PNMSSB's Tax Appeal to SCIT"), the SCIT directed parties to file the cause paper by 28 December 2021 and fixed the next case management on 28 December 2021.

At the case management on 28 December 2021, the SCIT fixed the next case management on 2 March 2022 to update the SCIT on the filing of the cause papers.

At the case management on 2 March 2022, the SCIT fixed the next case management on 17 May 2022 to update the SCIT on the filing of the cause papers.

At the case management on 17 May 2022, the SCIT fixed the next case management on 19 July 2022 to update the SCIT on the filing of the cause papers.

At the case management on 19 July 2022, the SCIT fixed the next case management on 20 September 2022 for parties to update the SCIT on the filing of the cause papers.

At the case management on 20 September 2022, the SCIT fixed the next case management on 20 December 2022 for parties to update the filing of the cause papers.

## Notes to the Financial Statements

### 35. MATERIAL LITIGATIONS (CONTINUED)

#### (V) Puncak Niaga Management Services Sdn. Bhd. ("PNMSSB") (continued)

##### **Two (2) Notices of Assessment issued by the Inland Revenue Board ("IRB") in accordance with the Income Tax Act 1967 ("ITA") to PNMSSB (continued)**

##### **PNMSSB's Tax Appeal to the Special Commissioners of Income Tax ("SCIT") ("PNMSSB's Tax Appeal to SCIT") (Appeal No. MOF.PKCP.700.7/1/1301-1302(2021) (continued)**

The case management which was originally fixed on 20 December 2022 was brought forward to 15 December 2022 by the SCIT. The SCIT has fixed the next case management on 17 January 2023 for parties to update the filing of the cause papers.

At the case management on 17 January 2023 on PNMSSB's Tax Appeal to SCIT, the SCIT fixed the trial dates on 28 and 29 February 2024.

##### **Shah Alam High Court Suit No: BA-21NCVC-80-07/2022 Government of Malaysia vs PNMSSB**

On 6 August 2021, Puncak announced that IRB, on the behalf of the Government of Malaysia, had commenced a civil action against Puncak Niaga Management Services Sdn Bhd ("PNMSSB") to recover the purported unpaid taxes under the Notices of Assessment known as Form J for the Years of Years of Assessment 2017 and 2018 amounting to RM2,292,182.64 and RM1,988,472.96 respectively ("Notice") despite the interim stay on the enforcement of the Form J granted by the Kuala Lumpur High Court on 10 June 2021 as disclosed above. The IRB had served a copy of the Writ of Summons dated on 29 July 2021 on PNMSSB on 5 August 2021.

As the Kuala Lumpur High Court had granted an interim stay of the enforcement of the Form J on PNMSSB until disposal of the leave hearing in respect of PNMSSB's Judicial Review Application on 10 June 2021, the IRB has no basis to initiate the civil recovery proceedings on PNMSSB. As such, PNMSSB solicitor had written to IRB on 6 August 2021 to demand the IRB withdraw its Writ of Summons on PNMSSB within 7 days.

On 16 August 2021, Puncak announced that the IRB, on the behalf of the Government of Malaysia, did not respond to PNMSSB's solicitors letter dated 6 August 2021 to withdraw its Writ of Summons on 29 July 2021 served on PNMSSB on 5 August 2021. Upon PNMSSB's instruction, its solicitor filled the Memorandum of Appearance in relation to the suit on behalf of PNMSSB at the Shah Alam High Court on 13 August 2021 and the same had been served on IRB.

At the first case management of the suit at the Shah Alam High Court on 30 August 2021, the IRB informed the Court that they do not have any objections towards PNMSSB's application to strike out the suit ("PNMSSB's Application to Strike Out") and PNMSSB's application for extension of time to file its defence ("PNMSSB's Application for Extension of Time to File Defence"). The Shah Alam High Court fixed the next management on 4 October 2021.

At the case management of the suit at the Shah Alam High Court on 4 October 2021, the Court granted PNMSSB's Application for Extension of Time to File Defence until the disposal of PNMSSB's Application to Strike Out the suit. The Shah Alam High Court fixed the next case management on 1 November 2021.

At the case management of the suit at the Shah Alam High Court on 1 November 2021, the Court fixed the hearing of PNMSSB's Application to Strike Out the suit 7 March 2022 and fixed the case management of the suit by IRB on 8 March 2022.

At the hearing of PNMSSB's Application to Strike Out the suit on 7 March 2022, the Shah Alam High Court fixed the matter for decision on 18 March 2022 and vacated the case management of the suit by IRB fixed on 8 March 2022.

On 18 March 2022, the Shah Alam High Court delivered its decision on PNMSSB's Application to Strike Out the suit wherein the Court granted a stay of proceedings in respect of the enforcement of the civil suit commenced by IRB against PNMSSB until the full disposal of the leave hearing in respect of PNMSSB's Judicial Review Application with no order as to costs.

## Notes to the Financial Statements

### 36. COMPARATIVE FIGURES

The following figures have been reclassified to conform with the presentation of current financial year:-

		Group 31 December 2021	
	Note	As previously reported RM'000	As restated RM'000
Statements of Financial Position (extracted):-			
Liabilities			
Non-current liabilities			
Loans and borrowings	18	1,033,131	995,537
Current liabilities			
Loans and borrowings	18	200,454	238,048
Note 18 to the financial statements (extracted):-			
Non-current			
Senior Sukuk Murabahah	18.3	620,120	582,526
Current			
Senior Sukuk Murabahah	18.3	-	37,594

## Statement by Directors

pursuant to Section 251(2) of the Companies Act 2016

In the opinion of the Directors, the financial statements set out on pages 133 to 268 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 December 2022 and of their financial performance and their cash flows for the financial year then ended.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors:

.....  
**Tan Sri Rozali bin Ismail**  
 Director

.....  
**Azlan Shah bin Rozali**  
 Director

Shah Alam

Date: 30 March 2023

## Statutory Declaration

pursuant to Section 251(1)(b) of the Companies Act 2016

I, **Lim Mun Lee**, the Officer primarily responsible for the financial management of Puncak Niaga Holdings Berhad, do solemnly and sincerely declare that the financial statements set out on pages 133 to 268 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the abovenamed Lim Mun Lee (MIA CA: 18214), at Shah Alam in the State of Selangor on 30 March 2023.

.....  
**Lim Mun Lee**

Before me:



# Independent Auditors' Report

## To the Members of Puncak Niaga Holdings Berhad

### Report on the Audit of the Financial Statements

#### *Opinion*

We have audited the financial statements of Puncak Niaga Holdings Berhad, which comprise the statements of financial position as at 31 December 2022 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies as set out on pages 133 to 268.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and the Company as at 31 December 2022, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

#### *Basis for Opinion*

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### *Independence and Other Ethical Responsibilities*

We are independent of the Group and of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

#### *Key Audit Matters*

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

# Independent Auditors' Report

To the Members of Puncak Niaga Holdings Berhad

## Report on the Audit of the Financial Statements (continued)

### Key Audit Matters (continued)

Key Audit Matter	How the matter was addressed in the audit
<b>1) Revenue Recognition</b>	
Refer to Note 21 to the financial statements.	
<p><b><u>Construction revenue</u></b></p> <p>As at 31 December 2022, the Group recognised approximately RM55.0 million of revenue from construction division.</p> <p>The construction revenue is recognised over time by reference to the cost incurred over the estimated cost of each individual contract. The construction revenue is considered a key audit matter as it require us to exercise significant judgement to evaluate the estimate of the total costs to be incurred, which inherently is uncertain.</p>	<p>Our audit procedures included, among others:</p> <p><b><u>Construction revenue:</u></b></p> <ul style="list-style-type: none"> <li>• Performed site visits for individually significant on-going projects to arrive at an overall assessment towards stage of completion.</li> <li>• Reviewed information provided by the entity and inquired management as to whether they had determined the completeness of the budgets, if there were any disputes with the customers/sub-contractors and if there would be any delays in the projects which would render additional costs.</li> <li>• Selected samples of estimated costs and compared them with contracts or letter of awards.</li> <li>• Performed a re-computation of the actual costs to budgeted cost to determine if the percentage of completion was computed appropriately, and subsequently, performed a re-computation to determine if the revenue was recognised appropriately.</li> <li>• Re-assessed the foreseeable losses had been recognised in accordance with the requirements of the accounting standards.</li> </ul>
<p><b><u>Concession revenue</u></b></p> <p>As at 31 December 2022, the Group recognised approximately RM124.1 million of revenue from concession division. The revenue is considered a key audit matter as it require significant judgement in determining the appropriate discount rates to compute the concession revenue from construction contracts, maintenance services and finance income.</p>	<p><b><u>Concession revenue:</u></b></p> <ul style="list-style-type: none"> <li>• Reviewed the agreements and assessed whether these agreements had been appropriately identified to be service concession agreements within the scope of MFRS 15.</li> <li>• Evaluated the appropriateness of discount rates applied in discounting the receivables from the customers.</li> <li>• Performed test on design and implementation of controls on recognition of concession revenue for CA-ZIP2 and CA-ZIP3 Projects.</li> </ul>

## Independent Auditors' Report

To the Members of Puncak Niaga Holdings Berhad

### Report on the Audit of the Financial Statements (continued)

#### Key Audit Matters (continued)

Key Audit Matter	How the matter was addressed in the audit
<b>2) Impairment assessment of bearer biological assets</b>	
Refer to Note 6 to the financial statements.	
As at 31 December 2022, a subsidiary within the Group with bearer biological assets with carrying amount of RM311.4 million recorded significant losses.	Our audit procedures included, among others:
As such, this is an indication that the bearer biological assets may be subject to impairment.	<ul style="list-style-type: none"> <li>• Performed physical estate visit of the bearer biological assets.</li> <li>• Considered the objectivity, independence, and competency of the independent valuer engaged by the management.</li> </ul>
The management had carried out an impairment assessment to determine whether the recoverable amount of bearer biological asset is less than the carrying amount using the fair value less costs of disposal method.	<ul style="list-style-type: none"> <li>• Discussed with the independent valuer to obtain an understanding on the methodology, key assumptions and data used in estimating the fair value of bearer biological assets.</li> <li>• Challenged the methodology adopted by the independent valuer including the basis, assumptions and data used in estimating the fair value of the bearer biological assets and assessed whether such methodology is reasonable and comparable in the market.</li> </ul>
The management had concluded that there was no impairment required in respect of the bearer biological assets for the current financial year.	<ul style="list-style-type: none"> <li>• Reviewed the adequacy of the disclosures in the financial statements.</li> </ul>
We considered this as a key audit matter due to the significance of carrying amount of the bearer biological assets and significant management judgement involved in determining the recoverable amount.	

## Independent Auditors' Report

To the Members of Puncak Niaga Holdings Berhad

### Report on the Audit of the Financial Statements (continued)

#### Key Audit Matters (continued)

Key Audit Matter	How the matter was addressed in the audit
<b>3) Impairment assessment of cost of investment in subsidiaries and amount due from subsidiaries</b>	
Refer to Note 8 and Note 14 to the financial statements.	
As at 31 December 2022, the carrying amounts of investment in subsidiaries and amounts due from subsidiaries were RM890.8 million and RM192.4 million respectively. During the financial year, the Company has recognised an impairment loss of approximately RM12.0 million for its amounts due from subsidiaries.	Our audit procedures included, among others:
A recent history of losses and significant accumulated losses recorded by certain subsidiaries have resulted in indications that the carrying amounts of investment in subsidiaries and amounts due from subsidiaries may be impaired.	<ul style="list-style-type: none"> <li>Challenged the assessment for indications of impairment performed by the Company by considering whether it had factored or considered relevant internal and external information.</li> <li>Assessed the recoverable amounts prepared by the management were in accordance with applicable accounting standard.</li> <li>Assessed the adjusted net assets of the subsidiaries in deriving the recoverable amounts of the investment in subsidiaries and amounts due from subsidiaries.</li> <li>Evaluated the appropriateness of the work of the independent valuer engaged by the management in accordance with ISA 620 Using the Work of an Auditor's Expert including assessing the significant assumptions, method and basis used in deriving the recoverable amounts.</li> <li>Reviewed the adequacy of the disclosures in the financial statements.</li> </ul>
The management had estimated the recoverable amounts of the investment in subsidiaries and amounts due from subsidiaries based on fair value less costs of disposal method.	
We considered this as a key audit matter due to the significance of the carrying amounts of investment in subsidiaries and amounts due from subsidiaries in the Company level as at year end. The recoverable amounts of the Company's investment in subsidiaries and amounts due from subsidiaries were also involved significant management judgement.	

#### Information Other than the Financial Statements and Auditors' Report Thereon

The Directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company do not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### Responsibilities of the Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

## Independent Auditors' Report

To the Members of Puncak Niaga Holdings Berhad

### Report on the Audit of the Financial Statements (continued)

#### *Responsibilities of the Directors for the Financial Statements (continued)*

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

#### *Auditors' Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:-

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the Company or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.



## Independent Auditors' Report

To the Members of Puncak Niaga Holdings Berhad

### Report on the Audit of the Financial Statements (continued)

#### *Auditors' Responsibilities for the Audit of the Financial Statements (Continued)*

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### *Report on Other Legal and Regulatory Requirements*

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 8 to the financial statements.

#### *Other Matter*

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

**GRANT THORNTON MALAYSIA PLT**  
(201906003682 & LLP0022494-LCA)  
CHARTERED ACCOUNTANTS (AF 0737)

Kuala Lumpur  
30 March 2023

**ANTONY LEONG WEE LOK**  
(NO: 03381/06/2024 J)  
CHARTERED ACCOUNTANT

## Analysis on Securities of Company

As at 30 March 2023

### ANALYSIS OF SHAREHOLDINGS

Share Capital	: RM554,662,777.00
Total Number of Issued Shares	: 449,284,556
Class of Shares	: Ordinary Shares
Voting Rights	: One vote per ordinary share
No. of Shareholders	: 10,226

### DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders						No. of Issued Shares Held					
	Malaysian		Foreigner		Total		Malaysian		Foreigner		Total	
	No.	%#	No.	%#	No.	%#	No.	%#	No.	%#	No.	%#
<b>Less than 100</b>	559	5.47	4	0.04	563	5.51	12,920	*	134	*	13,054	*
<b>100-1,000</b>	1,511	14.78	19	0.19	1,530	14.96	1,010,105	0.23	12,550	*	1,022,655	0.23
<b>1,001-10,000</b>	5,394	52.75	46	0.45	5,440	53.20	23,675,510	5.29	219,787	0.05	23,895,297	5.40
<b>10,001-100,000</b>	2,240	21.90	44	0.43	2,284	22.34	73,466,429	16.43	1,545,580	0.34	75,012,009	16.77
<b>100,001-22,362,386</b> (less than 5% of the issued share capital)	391	3.82	16	0.16	407	3.98	188,705,292	42.19	6,970,700	1.55	195,675,992	43.75
<b>22,362,387 and above</b> (5% and above of the issued share capital)	2	0.02	0	0	2	0.02	151,628,749	33.90	0	0	151,628,749	33.90
<b>TOTAL</b>	<b>10,097</b>	<b>98.74</b>	<b>129</b>	<b>1.26</b>	<b>10,226</b>	<b>100.00</b>	<b>438,499,005</b>	<b>98.04</b>	<b>8,748,751</b>	<b>1.95</b>	<b>447,247,756</b>	<b>100.00</b>

Notes:

\* Negligible

# Excluding a total of 2,036,800 Puncak Niaga Shares bought back by Puncak Niaga and retained as treasury shares as at 30 March 2023

## Analysis on Securities of Company

As at 30 March 2023

### LIST OF TOP THIRTY SECURITIES ACCOUNT HOLDERS AS PER RECORD OF DEPOSITORS

(Without aggregating the securities from different securities accounts belonging to the same Registered Holder)

No.	Name of Shareholder	No. of Issued Shares Held	% of Issued Shares*
1.	Central Plus (M) Sdn Bhd	103,798,260	23.21
2.	Corporate Line (M) Sdn Bhd	47,830,489	10.69
3.	Corporate Line (M) Sdn Bhd	21,600,000	4.83
4.	Lee Kuang Chong	11,008,100	2.46
5.	Nusmakmur Development Sdn Bhd	8,600,000	1.92
6.	Kenanga Nominees (Tempatan) Sdn Bhd [Pledged Securities Account For Goh Tai Siang]	7,690,000	1.72
7.	Ng Choi	3,638,500	0.81
8.	Lee Chee Beng	3,064,000	0.69
9.	Goh Tai Siang	2,718,300	0.61
10.	Public Nominees (Tempatan) Sdn Bhd [Pledged Securities Account For Wong Sui Yuing (E-BTL)]	2,674,400	0.60
11.	Lin Thean Fatt	2,634,000	0.59
12.	Lim Mok Leng	2,272,000	0.51
13.	Public Nominees (Tempatan) Sdn Bhd [Pledged Securities Account For Tee Kim Hew (E-KLG/BTG)]	2,137,800	0.48
14.	Maybank Nominees (Tempatan) Sdn Bhd [Pledged Securities Account For Zulkifli bin Ismail]	2,000,000	0.45
15.	Kong Tiong Kian	1,932,000	0.43
16.	Central Plus (M) Sdn Bhd	1,912,075	0.43
17.	Rozali bin Ismail	1,901,900	0.43
18.	Lee Pa Wei	1,880,100	0.42
19.	Public Nominees (Tempatan) Sdn Bhd [Pledged Securities Account For Lee Pa Wei (E-SJA)]	1,840,000	0.41
20.	Kalayarasu A/L Subramaniam	1,708,300	0.38
21.	CGS-CIMB Nominees (Tempatan) Sdn Bhd [Pledged Securities Account For Ng Chai Hock (MY0972)]	1,685,100	0.38
22.	Lim Teik Hoe	1,479,000	0.33
23.	Alliancegroup Nominees (Tempatan) Sdn Bhd [Pledged Securities Account For Chong Ken Min (8042243)]	1,460,000	0.33
24.	Khor Keng Saw @ Khaw Ah Soay	1,351,200	0.30
25.	Goh Teck Yiew	1,351,100	0.30
26.	Zainul Abideen bin Fazle Abbas	1,200,000	0.27
27.	Lin Thean Fatt	1,164,000	0.26
28.	Public Nominees (Tempatan) Sdn Bhd [Pledged Securities Account For Tan Pet Huan (E-BSA/PKG)]	1,137,000	0.25
29.	Khoo Kim Hong	1,123,400	0.25
30.	Ngui Ping Kiat	1,008,600	0.23
<b>Total</b>		<b>245,799,624</b>	<b>54.97</b>

\* Excluding 2,036,800 Puncak Niaga Shares bought back by Puncak Niaga and retained as treasury shares as at 30 March 2023.

## Analysis on Securities of Company

As at 30 March 2023

### DIRECTORS' INTEREST IN ORDINARY SHARES AS PER THE REGISTER OF THE DIRECTORS' SHAREHOLDINGS

No.	Name of Director	No. of Issued Shares Held in The Company			
		Direct Interest	% <sup>#</sup>	Indirect Interest	% <sup>#</sup>
1.	YBhg Tan Sri Rozali bin Ismail	1,901,900	0.43	175,140,824 <sup>+</sup>	39.16 <sup>+</sup>
2.	Encik Azlan Shah bin Rozali	389,400	0.09	-	-
3.	YBhg Dato' Sri Adenan bin Ab. Rahman	-	-	-	-
4.	YBhg Datuk Dr Marimuthu A/L Nadason	-	-	-	-
5.	YBhg Datuk Sr Haji Johari bin Wahab	-	-	1,050	*^^
6.	YM Tengku Loreta binti Tengku Dato' Setia Ramli Alhaj	-	-	-	-
7.	Tuan Haji Noor Faiz bin Hassan	-	-	-	-
8.	YBhg Tan Sri Dr Madinah binti Mohamad	-	-	-	-

Notes:

\* Negligible

<sup>+</sup> Deemed interest by virtue of 100% shareholding interest each in Central Plus (M) Sdn Bhd [198901006230 (183535-W)] and Corporate Line (M) Sdn Bhd [198801005332 (172689-H)] of which 5% is held in his own name and 95% is held in his spouse's and children's names, respectively.

<sup>^^</sup> Deemed interest by virtue of shares held in his brother's name.

<sup>#</sup> Excluding a total of 2,036,800 Puncak Niaga Shares bought back by Puncak Niaga and retained as treasury shares as at 30 March 2023.

### SUBSTANTIAL SHAREHOLDERS BASED ON THE REGISTER OF SUBSTANTIAL SHAREHOLDERS

(Excluding Bare Trustees)

No.	Name of Substantial Shareholder	No. of Issued Shares Held in The Company			
		Direct Interest	% <sup>#</sup>	Indirect Interest	% <sup>#</sup>
1.	YBhg Tan Sri Rozali bin Ismail	1,901,900	0.43	175,140,824 <sup>+</sup>	39.16 <sup>+</sup>
2.	YBhg Puan Sri Faridah binti Idris	-	-	175,140,824 <sup>++</sup>	39.16 <sup>++</sup>
3.	Central Plus (M) Sdn Bhd	105,710,335	23.64	-	-
4.	Corporate Line (M) Sdn Bhd	69,430,489	15.52	-	-

Notes:

<sup>+</sup> Deemed interest by virtue of 100% shareholding interest each in Central Plus (M) Sdn Bhd [198901006230 (183535-W)] and Corporate Line (M) Sdn Bhd [198801005332 (172689-H)] of which 5% is held in his own name and 95% is held in his spouse's and children's names, respectively.

<sup>++</sup> Deemed interest by virtue of 75% shareholding interest each in Central Plus (M) Sdn Bhd [198901006230 (183535-W)] and Corporate Line (M) Sdn Bhd [198801005332 (172689-H)], respectively.

<sup>#</sup> Excluding a total of 2,036,800 Puncak Niaga Shares bought back by Puncak Niaga and retained as treasury shares as at 30 March 2023.

## List of Properties

As at 31 December 2022

Description & Location	Date of Acquisition/ Date of Valuation (V)	Land Area/ Built-Up Area	Carrying Amount (RM'000) 31.12.2022	Tenure	Remaining Leasehold (Expiry Date)	Existing Use
<b>Property, Plant and Equipment</b>						
<b>Building and Adjacent Land</b>						
Wisma Rozali, No. 4, Persiaran Sukan, Seksyen 13, 40100 Shah Alam, Selangor Darul Ehsan	01/08/2005 31/12/2011 (V) 31/12/2014 (V) 31/12/2017 (V) 31/12/2020 (V)	12,952 sq. m	62,889	99 Years Leasehold	79 Years Expiring on 22/01/2102	Office premises and land
<b>3-Storey Building</b>						
No. 31, Jalan Temoleh P8/7, Precinct 8, 64450 Putrajaya, Wilayah Persekutuan Putrajaya	09/11/2016 31/12/2017 (V) 31/12/2020 (V)	387 sq. m	4,072	Freehold	N/A	Premises
<b>Plantation Land and Building</b>						
Lot 13, Murum Land District Lot 14, Murum Land District Lot 15, Murum Land District Lot 20, Murum Land District Lot 21, Murum Land District Lot 22, Murum Land District Lot 23, Murum Land District Lot 24, Murum Land District Lot 25, Murum Land District Lot 43, Murum Land District Lot 1, Silat Land District	03/07/2017 20/12/2016 (V) 27/02/2020 (V) 11/01/2023 (V)	1,409 Ha. 126 Ha. 1,996 Ha. 2.5 Ha. 0.6 Ha. 2.0 Ha. 3.90 Ha. 5.84 Ha. 0.16 Ha. 36,864 Ha. 2,540 Ha.	287,990	99 Years Leasehold	81 Years Expiring on 05/10/2103  93 Years Expiring on 22/01/2116	Plantation
<b>Investment Properties</b>						
<b>Leasehold Land</b>						
PN 114584, Lot 34075, PN 114585, Lot 34076, PN 114586, Lot 34077, Mukim Ijok, District of Kuala Selangor, Selangor Darul Ehsan	16/03/2022 25/05/2021 (V)	4,005 sq. m 4,036 sq. m 4,782 sq. m	11,554	99 Years Leasehold	86 Years Expiring on 12/04/2109	Vacant
<b>Land and Building</b>						
PN 10340, Lot 267, Mukim of Serting Ulu, District of Jempol, Negeri Sembilan Darul Khusus (Industrial premises bearing address No. PT 1152, Batu 36, Jalan Pahang, 72200 Batu Kikir, Negeri Sembilan Darul Khusus)	01/11/2016 (V) 31/05/2018 (V) 31/12/2018 (V) 31/12/2020 (V) 31/12/2021 (V) 31/12/2022 (V)	231,704 sq. m	23,740	99 Years Leasehold	70 Years Expiring on 25/03/2093	A parcel of industrial land of which about 7.22 acres is built upon with a single-storey factory building with two-storey office section and single storey workers quarters. The factory is rented out. The remaining portion of the property comprising an estimated land area of about 50.04 acres is presently underdeveloped



## List of Properties

As at 31 December 2022

Description & Location	Date of Acquisition/ Date of Valuation (V)	Land Area/ Built-Up Area	Carrying Amount (RM'000) 31.12.2022	Tenure	Remaining Leasehold (Expiry Date)	Existing Use
<b>Investment Properties</b>						
<b>Freehold Land</b>						
No. 8, Jalan Sultan Mahmud, 21080 Kuala Terengganu, Terengganu Darul Iman (Lot No. 2119, Mukim of Batu Buruk, District of Kuala Terengganu, Terengganu Darul Iman)	02/07/2008 31/12/2011 (V) 31/12/2014 (V) 31/12/2015 (V) 31/12/2016 (V) 31/12/2017 (V) 31/12/2018 (V) 31/12/2019 (V) 31/12/2020 (V) 31/12/2021 (V) 31/12/2022 (V)	2,058 sq. m	1,425	Freehold	N/A	Vacant
<b>Land and Building</b>						
No. 20, Jalan Presiden F U1/F, Accentra Business Park, Section U1, Glenmarie, 40150 Shah Alam, Selangor Darul Ehsan	01/02/2008 31/12/2011 (V) 31/12/2014 (V) 31/12/2015 (V) 31/12/2016 (V) 31/12/2017 (V) 31/12/2018 (V) 31/12/2019 (V) 31/12/2020 (V) 31/12/2021 (V) 31/12/2022 (V)	164 sq. m	2,200	Freehold	N/A	Office and storage
<b>Land and Building</b>						
No. 8, Jalan Presiden F U1/F, Accentra Business Park, Section U1, Glenmarie, 40150 Shah Alam, Selangor Darul Ehsan	24/7/2020 31/12/2021 (V) 31/12/2022 (V)	164 sq. m	2,200	Freehold	N/A	Vacant
<b>Leasehold Land</b>						
HS (D) 2605, PT 1563, Mukim of Jeram, District of Kuala Selangor, Selangor Darul Ehsan	01/08/2010 31/12/2011 (V) 31/12/2014 (V) 31/12/2015 (V) 31/12/2016 (V) 30/09/2017 (V) 31/12/2018 (V) 31/12/2019 (V) 31/12/2020 (V) 31/12/2021 (V) 31/12/2022 (V)	159,996 sq. m	56,400	99 Years Leasehold	73 Years Expiring on 01/12/2095	Vacant

## List of Properties

As at 31 December 2022

Description & Location	Date of Acquisition/ Date of Valuation (V)	Land Area/ Built-Up Area	Carrying Amount (RM'000) 31.12.2022	Tenure	Remaining Leasehold (Expiry Date)	Existing Use
<b>Investment Properties</b>						
<b>Land and Building</b>						
PN 77569, Lot 7092	16/02/2007	331,426 sq. m	469,370	99 Years	79 Years	Partly Rented Out
PN 77570, Lot 7093	31/12/2011 (V)	213,082 sq. m		Leasehold	Expiring on	Vacant
PN 77571, Lot 7094 <sup>#</sup>	31/12/2014 (V)	229,290 sq. m			24/10/2101	Partly Rented Out
PN 77572, Lot 7095	31/12/2015 (V)	229,717 sq. m				Vacant
Mukim of Ijok,	31/12/2016 (V)					
District of Kuala Selangor,	30/09/2017 (V)					
Selangor Darul Ehsan	31/12/2018 (V)					
	31/12/2019 (V)					
<sup>#</sup> include a single storey building	31/12/2020 (V)					
complete with parking facilities	31/12/2021 (V)					
	31/12/2022 (V)					
<b>4-Storey Shop/Office</b>						
No. 12, Jalan Todak 5,	21/03/2007	238 sq. m	2,500	99 Years	70 Years	Partly Rented Out
Pusat Bandar Seberang Jaya,	31/12/2011 (V)			Leasehold	Expiring on	
13700 Perai, Pulau Pinang	31/12/2014 (V)				21/10/2092	
	31/12/2015 (V)					
	31/12/2016 (V)					
	31/12/2017 (V)					
	31/12/2018 (V)					
	31/12/2019 (V)					
	31/12/2020 (V)					
	31/12/2021 (V)					
	31/12/2022 (V)					
<b>5-Storey Shop/Office</b>						
Unit Nos. G32, 132, 232, 332	07/06/2011	957 sq. m	4,750	99 Years	86 Years	Partly Occupied
and 432, Blok 4,	31/12/2014 (V)			Leasehold	Expiring on	
Laman Seri Business Park,	31/12/2017 (V)				21/03/2109	
Persiaran Sukan,	31/12/2018 (V)					
Seksyen 13, 40100 Shah Alam,	31/12/2019 (V)					
Selangor Darul Ehsan	31/12/2020 (V)					
	31/12/2021 (V)					
	31/12/2022 (V)					
<b>4-Storey Shop/Office</b>						
No. 12B, Jalan PJS 8/11,	19/10/2011	331 sq. m	5,600	99 Years	80 Years	Partly Rented Out
Dataran Mentari,	31/12/2014 (V)			Leasehold	Expiring on	
Bandar Sunway,	31/12/2017 (V)				06/11/2102	
46150 Petaling Jaya,	31/12/2018 (V)					
Selangor Darul Ehsan	31/12/2019 (V)					
	31/12/2020 (V)					
	31/12/2021 (V)					
	31/12/2022 (V)					

## List of Properties

As at 31 December 2022

Description & Location	Date of Acquisition/ Date of Valuation (V)	Land Area/ Built-Up Area	Carrying Amount (RM'000) 31.12.2022	Tenure	Remaining Leasehold (Expiry Date)	Existing Use
<b>Investment Properties</b>						
<b>3-Storey Shophouse</b>						
Lot 9306, Block 6, Seduan Land District, No. 12, Lorong Wawasan 10B1, 96000 Sibu, Sarawak	17/08/2016 31/12/2017 (V) 31/12/2018 (V) 31/12/2019 (V) 31/12/2020 (V) 31/12/2021 (V) 31/12/2022 (V)	140 sq. m	1,155	60 Years Leasehold	55 Years Expiring on 25/06/2078	Rented Out
<b>Leasehold Land</b>						
PN 80453, Lot 19255, Jalan Meru Tambahan, 42300 Bandar Puncak Alam, Selangor Darul Ehsan	24/10/2017 31/12/2018 (V) 31/12/2019 (V) 31/12/2020 (V) 31/12/2021 (V) 31/12/2022 (V)	8.413 Ha.	41,900	99 Years Leasehold	84 Years Expiring on 11/05/2107	Vacant
<b>3-Storey Shop/Office</b>						
Lots PT 33384 and PT 33383, Mukim of Sungai Buloh, District of Petaling, Selangor Darul Ehsan (bearing address Nos. 6 and 8, Jalan Apollo CH U5/CH, Bandar Pinggiran Subang, Section U5, 40150 Shah Alam, Selangor Darul Ehsan)	01/11/2016 (V) 31/05/2018 (V) 31/12/2018 (V) 31/12/2019 (V) 31/12/2020 (V) 31/12/2021 (V) 31/12/2022 (V)	312 sq. m	2,000	99 Years Leasehold	72 Years Expiring on 10/06/2095	Vacant
<b>3-Storey Shop/Office</b>						
Lots PT 2774 and PT 2775 Pekan Baru Sungai Buloh, District of Petaling, Selangor Darul Ehsan (bearing address Nos. 20 and 22, Jalan Uranus AH U5/AH, Subang Impian, Section U5, 40150 Shah Alam, Selangor Darul Ehsan)	01/11/2016 (V) 31/05/2018 (V) 31/12/2018 (V) 31/12/2019 (V) 31/12/2020 (V) 31/12/2021 (V) 31/12/2022 (V)	327.04 sq. m	2,200	99 Years Leasehold	76 Years Expiring on 03/04/2099	Partly Rented Out
<b>Leasehold Land</b>						
Part of PN 16618, Lot 10965, Mukim of Bukit Raja, District of Petaling, Selangor Darul Ehsan (located along Jalan Pulau Angsa U10/14, Taman Puncak Perdana, Section U10, 40170 Shah Alam, Selangor Darul Ehsan)	01/11/2016 (V) 31/05/2018 (V) 31/12/2018 (V) 31/12/2019 (V) 31/12/2020 (V) 31/12/2021 (V) 31/12/2022 (V)	3.625 acres	7,000	99 Years Leasehold	76 Years Expiring on 09/04/2099	A parcel of residential building land comprising the remaining undeveloped part of Lot 10965 which has been approved for development of medium-cost apartments

## List of Properties

As at 31 December 2022

Description & Location	Date of Acquisition/ Date of Valuation (V)	Land Area/ Built-Up Area	Carrying Amount (RM'000) 31.12.2022	Tenure	Remaining Leasehold (Expiry Date)	Existing Use
<b>Investment Properties</b>						
<b>Leasehold Land</b>						
State alienated residential development land located along Persiaran Mokhtar Dahari, Taman Puncak Perdana, Section U10, Shah Alam, Mukim of Bukit Raja, District of Petaling, Selangor Darul Ehsan	01/11/2016 (V) 31/05/2018 (V) 31/12/2018 (V) 31/12/2019 (V) 31/12/2020 (V) 31/12/2021 (V) 31/12/2022 (V)	25.65 acres	41,340	99 Years Leasehold	94 Years Expiring on 19/02/2117	A parcel of land approved for commercial development
<b>Leasehold Land</b>						
Lots 57580 to 57583, Lots 57592 to 57597, Lots 57615 to 57626, Lots 57628 to 57650, Lot 57751, Lots PT 2104 to PT 2108, Lots PT 2118 and PT 2119, Mukim of Bukit Raja, District of Petaling, Selangor Darul Ehsan (located within Perdana Heights, Taman Puncak Perdana, Section U10, Shah Alam, Mukim of Bukit Raja, District of Petaling, Selangor Darul Ehsan)	01/11/2016 (V) 31/05/2018 (V) 31/12/2018 (V) 31/12/2019 (V) 31/12/2020 (V) 31/12/2021 (V) 31/12/2022 (V)	50,263 sq. m	26,860	99 Years Leasehold	83 Years Expiring on 05/07/2105 (save for Lots PT 2104 to PT 2108, PT 2118 and PT 2119 that are expiring on 28/10/2096)	53 Vacant detached house lots
<b>Leasehold Land</b>						
389 detached house lots, 453 terrace house lots, 56 terrace shop lots, 7 parcels of residential building land, A parcel of commercial building land and 3 parcels of agricultural land with development potential all located within Seksyen 20, Bandar Serendah/Mukim of Serendah, District of Ulu Selangor, Selangor Darul Ehsan	01/11/2016 (V) 31/05/2018 (V) 31/12/2018 (V) 31/12/2019 (V) 31/12/2020 (V) 31/12/2021 (V) 31/12/2022 (V)		146,650	99 Years Leasehold		906 Vacant sub-divided building plots approved for development ("Cluster A") and 3 parcels of agricultural land with development potential which are not approved for any development as yet ("Cluster B")

## List of Properties

As at 31 December 2022

Description & Location	Date of Acquisition/ Date of Valuation (V)	Land Area/ Built-Up Area	Carrying Amount (RM'000) 31.12.2022	Tenure	Remaining Leasehold (Expiry Date)	Existing Use
<b>Investment Properties</b>						
(i) Cluster A consists of 906 sub-divided plots with individual titles:- Lot Nos. 27524 to 27548, 27550 to 27555, 27558 to 27566, 27568 to 27590, 27592 to 27718, 27720 to 27841, 27845 to 27851, 27853 to 27861, 27863 to 27984, 27986 to 28046, 28048 to 28063, 28065 to 28097, 28099 to 28112, 28114 to 28174, 28178 to 28186, 28188 to 28228, 28232 to 28325, 28339 to 28341 to 28371, 28374 to 28383, 28385, 28391 to 28404, 28406 to 28429, 28431 to 28445, 28447 to 28451, 28455 to 28470, 28473, 28475 to 28480, PT 1489, PT 1490 and PT 2360		338.67 acres (gross)			76 Years Expiring on 19/06/2099 (except for Lot 28480 which is expiring on 20/06/2099)	
(ii) Cluster B consists of Lots PT 103, PT 115 and PT 117		17.180 acres			58 Years Expiring on 25/09/2080	



## GRI G4 Content Index

for 'In Accordance' Option – Core

### General Standard Disclosures

General Standard Disclosures	Description	Omissions	Reference	Page
<b>Strategy and Analysis</b>				
G4-1	Statement from the most senior decision-maker of the organisation	-	Chairman's Letter To Shareholders	18-23
G4-2	Description of key impacts, risks and opportunities	-	Chairman's Letter To Shareholders, Management Discussion & Analysis	18-23, 24-37
<b>Organisational Profile</b>				
G4-3	Name of the organisation	-	Corporate Profile	10-11
G4-4	Primary brands, products and services	-	Management Discussion And Analysis, Corporate Profile	24-37, 10-11
G4-5	Location of the organisation's headquarters	-	Corporate Information	12-14
G4-6	Number of countries where the organisation operates	-	Corporate Profile, Corporate Information, Corporate Structure	10-11, 12-14, 16-17
G4-7	Nature of ownership and legal form	-	Corporate Profile, Corporate Structure	10-11, 16-17
G4-8	Markets served	-	Corporate Profile, Corporate Structure	10-11, 16-17
G4-9	Scale of the organisation	-	Five-Year Financial Highlights, Corporate Profile, Organisation Structure, Corporate Structure	7, 10-11, 15, 16-17
G4-10	Organisation's workforce profile	-	Workforce Diversity	57-59
G4-11	Percentage of total employees covered by collective bargaining agreements	-	No Unionised Workers	Not Applicable
G4-12	Organisation's supply chain	-	Supply Chain	47
G4-13	Significant changes during the reporting period regarding the organisation's size, structure, ownership, or its supply chain	-	Chairman's Letter To Shareholders, Management Discussion & Analysis	18-23, 24-37
G4-14	Precautionary approach or principle	-	Statement On Risk Management And Internal Control	104-111
G4-15	Externally developed economic, environmental and social charters, principles or other initiatives to which the organisation subscribes or which it endorses	-	Public Policy, MSU and PSIS Collaborations	40, 62
G4-16	Memberships of associations (such as industry associations) and national or international advocacy organisations	-	Puncak Niaga Group Fact Sheet	4
<b>Identified Material Aspects and Boundaries</b>				
G4-17	Entities included in the organisation's consolidated financial statements	-	Basis Of This Report	5
G4-18	Process for defining the report content and the aspect boundaries	-	Stakeholder Engagement	41-43
G4-19	Material aspects identified in the process for defining report content	-	Materiality	43
G4-20	Aspect boundary within the organisation	-	Basis Of This Report, Stakeholder Engagement	5, 41-43
G4-21	Aspect boundary outside the organisation	-	Basis Of This Report, Stakeholder Engagement	5, 41-43
G4-22	Effect of any restatements of information provided in previous reports, and the reasons for such restatements	-	Five-Year Financial Highlights, Audited Financial Statements	7, 124-275
G4-23	Significant changes from previous reporting periods in the scope and aspect boundaries	-	Basis Of This Report	5

## GRI G4 Content Index

for 'In Accordance' Option – Core

### General Standard Disclosures

General Standard Disclosures	Description	Omissions	Reference	Page
<b>Stakeholder Engagement</b>				
G4-24	List of stakeholder groups engaged by the organisation	-	Stakeholder Engagement	41-43
G4-25	Basis for identification and selection of stakeholders with whom to engage	-	Stakeholder Engagement	41-43
G4-26	Organisation's approach to stakeholder engagement	-	Stakeholder Engagement	41-43
G4-27	Key topics and concerns that have been raised through stakeholder engagement, and how the organisation has responded to those key topics and concerns	-	Stakeholder Engagement	41-43
<b>Report Profile</b>				
G4-28	Reporting period	-	Basis Of This Report	5
G4-29	Date of most recent previous report	-	Basis Of This Report	5
G4-30	Reporting cycle	-	Basis Of This Report	5
G4-31	Contact point for questions regarding the report or its contents	-	Basis Of This Report	5
G4-32	'In accordance' option the organisation has chosen	-	Basis Of This Report	5
G4-33	Organisation's policy and current practice with regard to seeking external assurance for the report	-	Statement On Directors' Responsibility For Preparation of Financial Statements, Independent Auditors Report	123, 270-275
<b>Governance</b>				
G4-34	Governance structure of the organisation	-	Organisation Structure, Corporate Governance Overview Statement	15, 86-98
<b>Ethics and Integrity</b>				
G4-56	Organisation's values, principles, standards and norms of behaviour	-	Puncak Vision & Mission And Values, Public Policy	3, 40

### Specific Standard Disclosures – Core Option

Material Aspects	Description	Omissions	Reference	DMA And Indicators
<b>Category: Economic</b>				
Indirect Economic Impacts	Disclosure Management Approach	-	Sustainability Performance On Material Issues – Creating Economic Value Sustainability Performance On Material Issues – Value To Our Communities	G4-DMA: Indirect Economic Impacts: 44-47, 70-73
	Development and impact of infrastructure investments and services supported	-	Sustainability Performance On Material Issues – Creating Economic Value	G4-EC7: 44-47
	Significant indirect economic impacts, including the extent of impacts	-	Sustainability Performance On Material Issues – Creating Economic Value	G4-EC8: 44-47

## GRI G4 Content Index

for 'In Accordance' Option – Core

## Specific Standard Disclosures – Core Option

Material Aspects	Description	Omissions	Reference	DMA And Indicators
<b>Category: Economic</b>				
Procurement Practices	Disclosure Management Approach	-	Supply Chain	G4-DMA: Procurement Practices: 47
	Proportion of spending on local suppliers at significant locations of operation	-	Supply Chain	G4-EC9: 47
<b>Category: Environmental</b>				
Energy	Disclosure Management Approach	-	Sustainability Performance On Material Issues – Environmental Value	G4-DMA: Energy: 51
	Energy consumption within the organisation	-	Reducing Our Internal Environmental Footprint	G4-EN3: 52-53
Water	Disclosure Management Approach	-	Sustainability Performance On Material Issues – Environmental Value	G4-DMA: Water: 51
	Total withdrawal by source	-	Water Management	G4-EN8: 51
Effluents and Waste	Disclosure Management Approach	-	Sustainability Performance On Material Issues – Environmental Value	G4-DMA: Effluents and Waste: 52
	Total weight of waste by type and disposal method	Currently unavailable for total weight of hazardous waste produced by disposal methods.	Waste Management Practices	G4-EN23: 52
Biodiversity	Disclosure Management Approach	-	Conserving Biodiversity	G4-DMA: Biodiversity: 48-50
	Conserving Biodiversity -- Protection of High Conservation Value (“HCV”), High Carbon Stock (“HCS”) and peat areas -- through the following measures: • Soil conservation • Maintaining riparian buffer zones • Treatment of wastewater before discharge	-	Conserving Biodiversity	G4-EN11: 48-50
<b>Category: Social</b>				
<b>Sub-category: Labour Practices and Decent Work</b>				
Employment	Disclosure Management Approach	-	Sustainability Performance On Material Issues – Value To Our Employees	G4-DMA: Employment: 57-59
	Total number and rates of new employee hires and employee turnover by age group, gender, and region	-	Workplace Diversity	G4-LA1: 57-59
	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation	-	Benefits And Compensation	G4-LA2: 62

## GRI G4 Content Index

for 'In Accordance' Option – Core

### Specific Standard Disclosures – Core Option

Material Aspects	Description	Omissions	Reference	DMA And Indicators
<b>Category: Social</b>				
<b>Sub-category: Labour Practices and Decent Work</b>				
Occupational Safety And Health	Disclosure Management Approach	-	Sustainability Performance On Material Issues – Value To Our Employees	G4-DMA: Occupational Health and Safety: 63-66
	Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender	-	Occupational Safety And Health	G4-LA6: 63-66
Training and Education	Disclosure Management Approach	-	Sustainability Performance On Material Issues – Value To Our Employees	G4-DMA: Training and Development: 60-63
	Average hours of training per year per employee by gender, and by employee category	-	Training And Development	G4-LA9: 60-63
Diversity and Equal Opportunity	Disclosure Management Approach	-	Sustainability Performance On Material Issues – Value To Our Employees	G4-DMA: Diversity and Equal Opportunity: 57-59
	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership and other indicators of diversity	-	Workplace Diversity	G4-LA12: 57-59
Labour Practices Grievance Mechanisms	Disclosure Management Approach	-	Sustainability Performance On Material Issues – Value To Our Employees	G4-DMA: Labour Practices Grievance Mechanism: 60
	Number of grievances about labour practices filed, addressed, and resolved through formal grievance mechanism	-	Grievance Mechanism	G4-LA16: 60

## GRI G4 Content Index

for 'In Accordance' Option – Core

### Specific Standard Disclosures – Core Option

Material Aspects	Description	Omissions	Reference	DMA And Indicators
<b>Sub-Category: Human Rights</b>				
Child Labour	Disclosure Management Approach	-	Sustainability Performance On Material Issues – Value To Our Employees	G4-DMA: Child Labour: 60
	Operations and suppliers identified as having significant risk for incidents of child labour, and measures taken to contribute to the effective abolition of child labour	-	Human Rights	G4-HR5: 60
Forced or Compulsory Labour	Disclosure Management Approach	-	Sustainability Performance On Material Issues – Value To Our Employees	G4-DMA: Forced or Compulsory Labour: 60
	Operations and suppliers identified as having significant risk for incidents of forced or compulsory labour, and measures to contribute to the elimination of all forms of forced or compulsory labour	-	Human Rights	G4-HR6: 60
Security Practices	Disclosure Management Approach	-	Sustainability Performance On Material Issues – Value To Our Employees	G4-DMA: Security Practices: 67
	Percentage of security personnel trained in the organisation's human rights policies or procedures that are relevant to operations	-	Security Practices	G4-HR7: 67
Indigenous Rights	Disclosure Management Approach	-	Sustainability Performance On Material Issues – Value To Our Communities	G4-DMA: Indigenous Rights: 60, 70
	Total number of incidents of violations involving rights of indigenous peoples and actions taken	-	Local Communities	G4-HR8: 60, 70



## NOTICE OF 26TH ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN THAT the Twenty-Sixth (26th) Annual General Meeting of Puncak Niaga Holdings Berhad [199701000591 (416087-U)] will be conducted entirely through live streaming from the Broadcast Venue at the Boardroom, 12th Floor, Wisma Rozali, No. 4, Persiaran Sukan, Seksyen 13, 40100 Shah Alam, Selangor Darul Ehsan ("Broadcast Venue") on Thursday, 25 May 2023 at 10.00 a.m. for the following purposes:**

### AS ORDINARY BUSINESSES

1. To receive the Audited Financial Statements of the Group and of the Company for the financial year ended 31 December 2022 together with the Reports of the Directors and Auditors thereon.
2. To re-elect the following Directors of the Company who retire by rotation pursuant to Rule 100 of the Company's Constitution:
 

(a) YBhg Dato' Sri Adenan bin Ab. Rahman	Resolution 1
(b) Tuan Haji Noor Faiz bin Hassan	Resolution 2
3. To re-elect the following Director of the Company who retires pursuant to Rule 105 of the Company's Constitution:
 

(a) YBhg Tan Sri Dr Madinah binti Mohamad	Resolution 3
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4. To approve the Independent Non-Executive Directors' remuneration with effect from 25 May 2023 until the next Annual General Meeting of the Company. Resolution 4
5. To re-appoint Grant Thornton Malaysia PLT as the Auditors of the Company for the ensuing year and to authorise the Directors of the Company to fix their remuneration. Resolution 5
6. To transact any other ordinary business of which due notice shall have been given.

### BY ORDER OF THE BOARD

**TAN BEE LIAN (MAICSA 7006285/SSM PC No: 201908003714)**

**WAN RAZMAH BINTI WAN ABD RAHMAN (MAICSA 7021383/SSM PC No: 202008002111)**

**Secretaries**

Shah Alam  
26 April 2023

## Notice of 26th Annual General Meeting

### Notes:

#### 1. IMPORTANT NOTICE

The Broadcast Venue is **strictly for the purpose of complying with Section 327(2) of the Companies Act, 2016** which requires the Chairman of the meeting to be present at the main venue of the meeting.

Shareholders **WILL NOT BE ALLOWED** to attend the 26th Annual General Meeting ("26th AGM") in person at the Broadcast Venue on the day of the Meeting. Shareholders are to attend, speak (including posing questions to the Board via real time submission of typed texts) and vote (collectively, "participate") remotely at the 26th AGM via the Remote Participation and Voting facilities ("RPV") provided by Tricor Investor & Issuing House Services Sdn. Bhd. ("Tricor") via its **TIIH Online** website at <https://tiih.online>. **Please follow the Procedures for RPV in the Information for Shareholders on 26th AGM which is posted on our website at [www.puncakniaga.com.my](http://www.puncakniaga.com.my) and take note of Notes (2) to (15) below in order to participate remotely via RPV.**

2. For the purpose of determining who shall be entitled to participate in this AGM via RPV, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to make available to the Company, the **Record of Depositors as at 18 May 2023**. Only a member whose name appears on this Record of Depositors shall be entitled to participate in this AGM via RPV.
3. A member who is entitled to participate in this AGM via RPV is entitled to appoint another person to participate in this AGM in his stead. A proxy need not be a member of the Company. There shall be no restriction as to the qualification of the proxy.
4. A member of the Company who is entitled to attend and vote at a general meeting of the Company may appoint not more than two (2) proxies to participate instead of the member at the AGM via RPV provided that:
  - a) where a member is an authorised nominee as defined in the Central Depositories Act, it may appoint up to two (2) proxies in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said Securities Account.
  - b) where a member is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account namely, Omnibus Securities Account, there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each Omnibus Securities Account it holds with ordinary shares of the Company standing to the credit of the said Omnibus Securities Account.

Where a member appoints two (2) or more proxies (as the case maybe), the appointments shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.

5. Member(s), proxy(ies), corporate representative(s) or attorney(s) to participate at this AGM via RPV are required to register at **TIIH Online** website at <https://tiih.online> as a user first and then pre-register their attendance for the 26th AGM for verification of their eligibility to attend the 26th AGM using the RPV on the **Record of Depositors as at 18 May 2023**. **Please follow the Procedures for RPV in the Information for Shareholders on 26th AGM as set out in [www.puncakniaga.com.my](http://www.puncakniaga.com.my).**
6. The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly appointed under a power of attorney or if such appointer is a corporation, either under its common seal or under the hand of an officer or attorney duly appointed under a power of attorney. If this Proxy Form is signed under the hand of an officer duly authorised, it should be accompanied by a statement reading "signed as authorised officer under an Authorisation Document which is still in force, no notice of revocation having been received". If this Proxy Form is signed under the attorney duly appointed under a power of attorney, it should be accompanied by a statement reading "signed under a power of attorney which is still in force, no notice of revocation having been received". A copy of the Authorisation Document or the power of attorney, which should be valid in accordance with the laws of the jurisdiction in which it was created and is exercised, should be enclosed with this Proxy Form.
7. Any corporation which is a member of the Company may by resolution of its Directors or other governing body authorise such person as it thinks fit to act as its representative at the Meeting in accordance with Rule 85 of the Company's Constitution.

## Notice of 26th Annual General Meeting

8. The appointment of a proxy may be made in a hard copy form or by electronic means in the following manner and must be received by the Company not less than twenty-four (24) hours before the time appointed for holding this AGM or adjourned general meeting at which the person named in the appointment proposes to vote:

(i) In hard copy form

- a) In the case of an appointment made in hard copy form, the proxy form must be deposited with the Share Registrar of the Company at Tricor Investor & Issuing House Services Sdn. Bhd., Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia.
- b) By fax at 03-2783 9222 or e-mail to [is.enquiry@my.tricorglobal.com](mailto:is.enquiry@my.tricorglobal.com)

(ii) In electronic form via TIIH Online

The proxy form can be electronically lodged with the Share Registrar of the Company via TIIH Online at <https://tiih.online>. Kindly refer to the Information For Shareholders on the procedures for electronic lodgement of proxy form via TIIH Online.

9. Please ensure ALL the particulars as required in the proxy form are completed, signed and dated accordingly. The last date and time for lodging the proxy form is **Wednesday, 24 May 2023 at 10.00 a.m.**
10. Members may submit questions in relation to the agenda items for the 26th AGM prior to the meeting via TIIH Online at <https://tiih.online> by selecting “e-Services” to login, pose questions and submit electronically no later than **Wednesday, 24 May 2023 at 10.00 a.m.** The Board will endeavour to address the questions received at the 26th AGM.

Members may use the **Query Box** facility to ask questions real time (in the form of typed text) during the meeting. The Chairman/ Board will endeavour to respond to questions submitted by remote participants during the 26th AGM.

11. Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in the Notice of the 26th AGM will be put to vote by poll. The Company has appointed Tricor Investor & Issuing House Services Sdn. Bhd. as the Poll Administrator to conduct the poll by way of electronic voting and Coopers Professional Scrutineers Sdn. Bhd. as the Independent Scrutineers to verify the poll results and as the Independent Observer of the Questions & Answers Session of the 26th AGM.

12. **Audited Financial Statements of the Group and of the Company for the financial year ended 31 December 2022**

The audited financial statements are for discussion only under Agenda 1, as they do not require the shareholders' approval under the provisions of Section 340(1)(a) of the Companies Act, 2016. Hence, they will not be put for voting.

13. **Resolutions 1 and 2: Agenda 2 - Re-election of Directors who retire by rotation pursuant to Rule 100 of the Company's Constitution**

Rule 100 of the Company's Constitution provides that at each annual general meeting, one-third of the Directors for the time being, or, if their number is not a multiple of three, the number nearest to one-third with a minimum of one, shall retire from office. A Director retiring at a meeting shall retain office until the close of the meeting, whether adjourned or not.

For the purpose of determining the eligibility of the Directors to stand for re-election at the 26th AGM, the Board through the Nomination Committee's recommendations, had approved that the Directors who retire by rotation pursuant to Rule 100 of the Company's Constitution namely, YBhg Dato' Sri Adenan bin Ab. Rahman and Tuan Haji Noor Faiz bin Hassan are eligible to stand for re-election. These two (2) retiring Directors had abstained from deliberations and decisions on their own eligibility to stand for re-election at the relevant Board and Nomination Committee Meetings.

## Notice of 26th Annual General Meeting

The Nomination Committee and the Board of Directors have recommended both Directors retiring under Rule 100 of the Company's Constitution to be re-elected at the forthcoming 26th AGM of the Company since they have discharged their duties and responsibilities effectively as Directors of the Company as prescribed in Paragraph 2.20A of Bursa Malaysia Securities Berhad' ("Bursa Securities") Main Market Listing Requirements ("MMLR"), have met the requisite criteria and qualities under the Company's Directors' Fit and Proper Policy and have been able to contribute positively to the Board and the Company with active participation at the Board/ Board Committees' Meetings due to their vast experience and diverse skills set.

Both of them are effective as Chairman and members of the Audit Committee, Compliance, Internal Control And Risk Policy Committee ("CICR"), Remuneration Committee and Nomination Committee respectively.

Both of them have given their confirmations that they have met the criteria of Independent Director under Chapter 1 of Bursa Securities' MMLR and indicated their willingness to continue in office as Independent Non-Executive Directors ("INEDs") of the Company as evidenced in their 2022 Independent Director Evaluation Forms.

### **Resolution 3: Agenda 3 - Re-election of Director who retires pursuant to Rule 105 of the Company's Constitution**

Rule 105 of the Company's Constitution provides that the Directors shall have power at any time and from time to time, to appoint any person to be a Director either to fill a casual vacancy or as an additional Director, but so that the total number of Directors shall not at any time exceed the maximum number fixed by or in accordance with these presents. Any Director so appointed shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election, but shall not be taken into account in determining the number of Directors who are to retire by rotation at such meeting.

Based on the above, the Board had approved the Nomination Committee's recommendation that the Director who retires pursuant to Rule 105 of the Company's Constitution namely, YBhg Tan Sri Dr Madinah binti Mohamad is eligible to stand for re-election. YBhg Tan Sri Dr Madinah binti Mohamad had abstained from deliberations and decisions on her own eligibility to stand for re-election at the relevant Board and Nomination Committee Meetings.

The Nomination Committee and the Board of Directors have recommended the Director retiring under Rule 105 of the Company's Constitution to be re-elected at the forthcoming 26th AGM of the Company since she has met the requisite criteria and qualities under the Company's Directors' Fit and Proper Policy and she will be able to contribute positively to the Board and the Company due to her vast experience, diverse skills set and extensive working experience in the public service over 35 years with her last held position as Auditor General of Malaysia prior to her retirement in 2019.

She has at the 50th Nomination Committee Meeting held on 13 February 2023 given her verbal confirmation that she is willing to continue in office as an INED of the Company. She has also given her declaration on her independence as an Independent Director to Bursa Malaysia Securities Berhad upon her appointment to the Board on 1 December 2022.

### **14. Resolution 4: Agenda 4 - Approval of the Independent Non-Executive Directors' remuneration**

Section 230(1) of the Companies Act, 2016 provides amongst others, that "the fees of the directors, and any benefits payable to the directors" of a listed company and its subsidiaries shall be approved at a general meeting.

The Company is seeking the shareholders' approval on the payment of the Independent Non-Executive Directors' ("INEDs") remuneration up to the next Annual General Meeting in 2024.

## Notice of 26th Annual General Meeting

The details of the proposed payment of remuneration under Resolution 4 are as set out below:

Puncak Niaga		Monthly Allowance (RM)	Chairman's Yearly Allowance (RM)	Other Benefit	Meeting Allowance (RM)
Board	INEDs	5,000	N/A	Corporate golf club membership	2,000 per each Board Committee/ General Meeting and adjourned meetings of the Company attended
Board Committees	Audit Committee				
	Chairman	N/A	24,000	-	
	Member	N/A	N/A	-	
	Remuneration Committee, Nomination Committee and Compliance, Internal Control & Risk Policy Committee				
	Chairman	N/A	8,000 for each Committee	-	
	Member	N/A	N/A	-	

Notes:

- \* There has been no change to the remuneration payable to the INEDs since 2013. The corporate golf club membership was extended to the INEDs after the 23rd AGM in 2020.
- \* None of the INEDs received any remuneration from the subsidiaries in their positions as Directors of the Company.
- \* If approved by the shareholders, the remuneration framework will result in a projected INEDs' remuneration of RM825,000.00 for the period from 25 May 2023 to the next AGM in 2024 based on the assumption of the projected number of Board and Board Committee Meetings in 2023/2024 to the next AGM.

### 15. Resolution 5: Agenda 5 - Re-appointment of Grant Thornton Malaysia PLT as Auditors of the Company

Pursuant to Practice 9.3 Principle B (Effective Audit and Risk Management) of the Malaysian Code On Corporate Governance 2021, the Audit Committee, with the assistance of the Finance Division of the Company, has assessed the suitability and independence of Grant Thornton Malaysia PLT as the Auditors of the Company. The Audit Committee and the Board have recommended the re-appointment of Grant Thornton Malaysia PLT, who shall retire as Auditors of the Company at the 26th AGM of the Company and who have expressed their willingness to continue in office, to hold office as Auditors of the Company for the ensuing year until the conclusion of the next AGM at a fee to be determined by the Board of Directors of the Company.



## Statement Accompanying The Notice of 26th Annual General Meeting

### STATEMENT ACCOMPANYING THE NOTICE OF 26TH ANNUAL GENERAL MEETING PURSUANT TO PARAGRAPH 8.27 (2) OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

There is no individual standing for election as Director (other than the Directors standing for re-election namely, YBhg Dato' Sri Adenan bin Ab. Rahman, Tuan Haji Noor Faiz bin Hassan and YBhg Tan Sri Dr Madinah binti Mohamad at the forthcoming 26th Annual General Meeting of Puncak Niaga Holdings Berhad).

The profiles of the Directors who are standing for re-election as per Resolutions 1, 2 and 3 as stated in the Notice of 26th Annual General Meeting are set out in the Board of Directors' Profile section on pages 76, 80 and 81 respectively of the Company's Annual Report 2022.





PUNCAK NIAGA HOLDINGS BERHAD  
(199701000591) (416087-U)

# PROXY FORM

Number of Shares Held	CDS Account No.									
				-			-			

I/We \_\_\_\_\_  
 NRIC No./Passport No./Company No.: \_\_\_\_\_ Tel/Mobile Phone No.: \_\_\_\_\_  
 Address: \_\_\_\_\_

being a Member/Members of Puncak Niaga Holdings Berhad, hereby appoint:-

1) Name of Proxy: \_\_\_\_\_ NRIC/Passport No.: \_\_\_\_\_  
 Address: \_\_\_\_\_  
 Number of Shares Represented: \_\_\_\_\_ % of Shares Represented: \_\_\_\_\_

and/or:

2) Name of Proxy: \_\_\_\_\_ NRIC/Passport No.: \_\_\_\_\_  
 Address: \_\_\_\_\_  
 Number of Shares Represented: \_\_\_\_\_ % of Shares Represented: \_\_\_\_\_

or failing him/her, the Chairman of the Meeting as my/our proxy to attend and vote for me/us and on my/our behalf at the Twenty-Sixth (26th) Annual General Meeting of Puncak Niaga Holdings Berhad which will be conducted entirely through live streaming from the Broadcast Venue at the Boardroom, 12th Floor, Wisma Rozali, No. 4, Persiaran Sukan, Seksyen 13, 40100 Shah Alam, Selangor Darul Ehsan ("Broadcast Venue") on Thursday, 25th May 2023 at 10.00 a.m. and at any adjournment thereof, as indicated below:

NO.	RESOLUTION	FOR	AGAINST
<b>ORDINARY BUSINESSES</b>			
1	To re-elect YBhg Dato' Sri Adenan bin Ab. Rahman as a Director of the Company.		
2	To re-elect Tuan Haji Noor Faiz bin Hassan as a Director of the Company.		
3	To re-elect YBhg Tan Sri Dr Madinah binti Mohamad as a Director of the Company.		
4	To approve the Independent Non-Executive Directors' remuneration with effect from 25 May 2023 until the next Annual General Meeting of the Company.		
5	To re-appoint Grant Thornton Malaysia PLT as the Auditors of the Company for the ensuing year and to authorise the Directors of the Company to fix their remuneration.		

Please indicate with a cross (X) how you wish your votes to be cast in respect of each Resolution. In the absence of specific directions, your proxy will vote or abstain as he/she thinks fit.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2023

Signature(s)/Common Seal of Shareholder

Notes:-

## 1. IMPORTANT NOTICE

The Broadcast Venue is **strictly for the purpose of complying with Section 327(2) of the Companies Act, 2016** which requires the Chairman of the meeting to be present at the main venue of the Meeting.

Shareholders **WILL NOT BE ALLOWED** to attend the 26th Annual General Meeting ("26th AGM") in person at the Broadcast Venue on the day of the Meeting. Shareholders are to attend, speak (including posing questions to the Board via real time submission of typed texts) and vote (collectively, "participate") remotely at the 26th AGM via the Remote Participation and Voting facilities ("RPV") provided by Tricor Investor & Issuing House Services Sdn. Bhd. ("Tricor") via its **TIH Online** website at <https://tthonline>. Please follow the Procedures for RPV in the Information for Shareholders on 26th AGM which is posted on our website at [www.puncakniaga.com.my](http://www.puncakniaga.com.my) and take note of Notes (2) to (15) below in order to participate remotely via RPV.

- For the purpose of determining who shall be entitled to participate in this AGM via RPV, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to make available to the Company, the **Record of Depositors as at 18 May 2023**. Only a member whose name appears on this Record of Depositors shall be entitled to participate in this AGM via RPV.
- A member who is entitled to participate in this AGM via RPV is entitled to appoint another person to participate in this AGM in his stead. A proxy need not be a member of the Company. There shall be no restriction as to the qualification of the proxy.
- A member of the Company who is entitled to attend and vote at a general meeting of the Company may appoint not more than two (2) proxies to participate instead of the member at the AGM via RPV provided that:-
  - where a member is an authorised nominee as defined in the Central Depositories Act, it may appoint up to two (2) proxies in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said Securities Account.
  - where a member is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account namely, Omnibus Securities Account, there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each Omnibus Securities Account it holds with ordinary shares of the Company standing to the credit of the said Omnibus Securities Account.

Where a member appoints two (2) or more proxies (as the case maybe), the appointments shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.

- Member(s), proxy(ies), corporate representative(s) or attorney(s) to participate at this AGM via RPV are required to register at **TIH Online** website at <https://tthonline> as a user first and then pre-register their attendance for the 26th AGM for verification of their eligibility to attend the 26th AGM using the RPV on the **Record of Depositors as at 18 May 2023**. Please follow the Procedures for RPV in the Information for Shareholders on 26th AGM as set out in [www.puncakniaga.com.my](http://www.puncakniaga.com.my)
- The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly appointed under a power of attorney or if such appointer is a corporation, either under its common seal or under the hand of an officer or attorney duly appointed under a power of attorney. If this Proxy Form is signed under the hand of an officer duly authorised, it should

be accompanied by a statement reading "signed as authorised officer under an Authorisation Document which is still in force, no notice of revocation having been received". If this Proxy Form is signed under the attorney duly appointed under a power of attorney, it should be accompanied by a statement reading "signed under a power of attorney which is still in force, no notice of revocation having been received". A copy of the Authorisation Document or the power of attorney, which should be valid in accordance with the laws of the jurisdiction in which it was created and is exercised, should be enclosed with this Proxy Form.

- Any corporation which is a member of the Company may by resolution of its Directors or other governing body authorise such person as it thinks fit to act as its representative at the Meeting in accordance with Rule 85 of the Company's Constitution.
- The appointment of a proxy may be made in a hard copy form or by electronic means in the following manner and must be received by the Company not less than twenty-four (24) hours before the time appointed for holding this AGM or adjourned general meeting at which the person named in the appointment proposes to vote:
  - In hard copy form**
    - In the case of an appointment made in hard copy form, the proxy form must be deposited with the Share Registrar of the Company at Tricor Investor & Issuing House Services Sdn. Bhd., Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia.
    - By fax at 03-2783 9222 or e-mail to [is.enquiry@my.tricorglobal.com](mailto:is.enquiry@my.tricorglobal.com)
  - In electronic form via TIH Online**

The proxy form can be electronically lodged with the Share Registrar of the Company via TIH Online at <https://tthonline>. Kindly refer to the Information For Shareholders on the procedures for electronic lodgement of proxy form via TIH Online.
- Please ensure ALL the particulars as required in the proxy form are completed, signed and dated accordingly. The last date and time for lodging the proxy form is **Wednesday, 24 May 2023 at 10.00 a.m.**
- Members may submit questions in relation to the agenda items for the 26th AGM prior to the Meeting via TIH Online at <https://tthonline> by selecting "e-Services" to login, pose questions and submit electronically no later than **Wednesday, 24 May 2023 at 10.00 a.m.** The Board will endeavour to address the questions received at the 26th AGM.
- Members may use the **Query Box** facility to ask questions real time (in the form of typed text) during the meeting. The Chairman/Board will endeavour to respond to questions submitted by remote participants during the 26th AGM.
- Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in the Notice of the 26th AGM will be put to vote by poll. The Company has appointed Tricor Investor & Issuing House Services Sdn. Bhd. as the Poll Administrator to conduct the poll by way of electronic voting and Coopers Professional Scrutineers Sdn. Bhd. as the Independent Scrutineers to verify the poll results and as the Independent Observer of the Questions & Answers Session of the 26th AGM.

12. **Audited Financial Statements of the Group and of the Company for the financial year ended 31 December 2022**

The audited financial statements are for discussion only under Agenda 1, as they do not require the shareholders' approval under the provisions of Section 340(1)(a) of the Companies Act, 2016. Hence, they will not be put for voting.

13. **Resolutions 1 and 2 : Agenda 2 - Re-election of Directors who retire by rotation pursuant to Rule 100 of the Company's Constitution**

Rule 100 of the Company's Constitution provides that at each annual general meeting, one-third of the Directors for the time being, or, if their number is not a multiple of three, the number nearest to one-third with a minimum of one, shall retire from office. A Director retiring at a meeting shall retain office until the close of the meeting, whether adjourned or not.

For the purpose of determining the eligibility of the Directors to stand for re-election at the 26th AGM, the Board through the Nomination Committee's recommendations, had approved that the Directors who retire by rotation pursuant to Rule 100 of the Company's Constitution namely, YBhg Dato' Sri Adenan bin Ab. Rahman and Tuan Haji Noor Faiz bin Hassan are eligible to stand for re-election. These two (2) retiring Directors had abstained from deliberations and decisions on their own eligibility to stand for re-election at the relevant Board and Nomination Committee Meetings.

The Nomination Committee and the Board of Directors have recommended both Directors retiring under Rule 100 of the Company's Constitution to be re-elected at the forthcoming 26th AGM of the Company since they have discharged their duties and responsibilities effectively as Directors of the Company as prescribed in Paragraph 2.20A of Bursa Malaysia Securities Berhad ("Bursa Securities") Main Market Listing Requirements ("MMLR"), have met the requisite criteria and qualities under the Company's Directors' Fit and Proper Policy and have been able to contribute positively to the Board and the Company with active participation at the Board/Board Committees' Meetings due to their vast experience and diverse skills set.

Both of them are effective as Chairman and members of the Audit Committee, Compliance, Internal Control And Risk Policy Committee ("CICR"), Remuneration Committee and Nomination Committee respectively.

Both of them have given their confirmations that they have met the criteria of Independent Director under Chapter 1 of Bursa Securities' MMLR and indicated their willingness to continue in office as Independent Non-Executive Directors ("INEDs") of the Company as evidenced in their 2022 Independent Director Evaluation Forms.

**Resolution 3: Agenda 3 - Re-election of Director who retires pursuant to Rule 105 of the Company's Constitution**

Rule 105 of the Company's Constitution provides that the Directors shall have power at any time and from time to time, to appoint any person to be a Director either to fill a casual vacancy or as an additional Director, but so that the total number of Directors shall not at any time exceed the maximum number fixed by or in accordance with these presents. Any Director so appointed shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election, but shall not be taken into account in determining the number of Directors who are to retire by rotation at such meeting.

Based on the above, the Board had approved the Nomination Committee's recommendation that the Director who retires pursuant to Rule 105 of the Company's Constitution namely, YBhg Tan Sri Dr Madinah binti Mohamad is eligible to stand for re-election. YBhg Tan Sri Dr Madinah binti Mohamad had abstained from deliberations and decisions on her own eligibility to stand for re-election at the relevant Board and Nomination Committee Meetings.

The Nomination Committee and the Board of Directors have recommended the Director retiring under Rule 105 of the Company's Constitution to be re-elected at the forthcoming 26th AGM of the Company since she has met the requisite criteria and qualities under the Company's Directors' Fit and Proper Policy and she will be able to contribute positively to the Board and the Company due to her vast experience, diverse skills set and extensive working experience in the public service over 35 years with her last held position as Auditor General of Malaysia prior to her retirement in 2019.

She has at the 50th Nomination Committee Meeting held on 13 February 2023 given her verbal confirmation that she is willing to continue in office as an INED of the Company. She has also given her declaration on her independence as an Independent Director to Bursa Malaysia Securities Berhad upon her appointment to the Board on 1 December 2022.

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Stamp

Share Registrar for  
Puncak Niaga Holdings Berhad [199701000591(416087-U)]  
Tricor Investor & Issuing House Services Sdn Bhd [197101000970(11324-H)]  
Unit 32-01, Level 32, Tower A  
Vertical Business Suite  
Avenue 3, Bangsar South  
No. 8 Jalan Kerinchi  
59200 Kuala Lumpur  
Malaysia

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14. **Resolution 4: Agenda 4 – Approval of the Independent Non-Executive Directors' remuneration**

Section 230(1) of the Companies Act, 2016 provides amongst others, that "the fees of the directors, and any benefits payable to the directors" of a listed company and its subsidiaries shall be approved at a general meeting.

The Company is seeking the shareholders' approval on the payment of the Independent Non-Executive Directors' ("INEDs") remuneration up to the next Annual General Meeting in 2024.

The details of the proposed payment of remuneration under Resolution 4 are as set out below:

Puncak Niaga		Monthly Allowance* (RM)	Chairman's Yearly Allowance* (RM)	Other Benefit	Meeting Allowance* (RM)
Board	INEDs	5,000	N/A	Corporate golf club membership	2,000 per each Board Committee/General Meeting and adjourned meetings of the Company attended
Board Committees	Audit Committee				
	Chairman	N/A	24,000	-	
	Member	N/A	N/A	-	
	Remuneration Committee, Nomination Committee and Compliance, Internal Control & Risk Policy Committee				
	Chairman	N/A	8,000 for each Committee	-	
	Member	N/A	N/A	-	

Notes:

- \* There has been no change to the remuneration payable to the INEDs since 2013. The corporate golf club membership was extended to the INEDs after the 23rd AGM in 2020.
- \* None of the INEDs received any remuneration from the subsidiaries in their positions as Directors of the Company.
- \* If approved by the shareholders, the remuneration framework will result in a projected INEDs' remuneration of RM825,000.00 for the period from 25 May 2023 to the next AGM in 2024 based on the assumption of the projected number of Board and Board Committee Meetings in 2023/2024 to the next AGM.

15. **Resolution 5: Agenda 5 - Re-appointment of Grant Thornton Malaysia PLT as Auditors of the Company**

Pursuant to Practice 9.3 Principle B (Effective Audit and Risk Management) of the Malaysian Code On Corporate Governance 2021, the Audit Committee, with the assistance of the Finance Division of the Company, has assessed the suitability and independence of Grant Thornton Malaysia PLT as the Auditors of the Company. The Audit Committee and the Board have recommended the re-appointment of Grant Thornton Malaysia PLT, who shall retire as Auditors of the Company at the 26th AGM of the Company and who have expressed their willingness to continue in office, to hold office as Auditors of the Company for the ensuing year until the conclusion of the next AGM at a fee to be determined by the Board of Directors of the Company.



## PERSONAL DATA NOTICE

The Personal Data Protection Act 2010 (“Act”) regulates the processing and use of personal data in commercial transactions and applies to Puncak Niaga Holdings Berhad (“the Company”).

Personal data including but not limited to your (or your proxy/proxies, if appointed) name, NRIC number or passport number, CDS account number, contact details, mailing address and any other personal data furnished or made available to the Company will be used or disclosed by the Company and the Company’s personnel for the purpose of the Twenty-Sixth Annual General Meeting of the Company as well as for disclosure requirements imposed by law or any other regulatory authorities from time to time including but not limited to the stock exchange, companies commission and securities commission (“Purpose”). The Company shall retain the personal data for so long as it is necessary for the fulfilment of the Purpose or for compliance with any law or legal obligations.

If you wish to make any enquiries regarding this Personal Data Notice or any personal data disclosed to the Company, please contact the Company at:

Mailing Address : **PUNCAK NIAGA HOLDINGS BERHAD**  
10th Floor, Wisma Rozali  
No. 4, Persiaran Sukan  
Seksyen 13, 40100 Shah Alam  
Selangor Darul Ehsan  
Attention: Madam Tan Bee Lian,  
Executive Director,  
Corporate Services Division/  
Group Company Secretary

Telephone No. : +603 5522 8589  
Fax No. : +603 5512 0220

Please ensure that your proxy/proxies consent to the disclosure of their personal data for the Purpose.

## NOTIS DATA PERIBADI

Akta Perlindungan Data Peribadi 2010 (“Akta”) mengawal selia pemprosesan dan penggunaan data peribadi dalam transaksi komersil dan diaplikasikan kepada Puncak Niaga Holdings Berhad (“Syarikat”).

Data peribadi termasuk tetapi tidak terhad kepada nama, nombor NRIC atau nombor pasport, nombor akaun CDS, butiran perhubungan, alamat surat-menyurat dan apa-apa data peribadi lain anda (atau proksi anda, jika dilantik) yang diberikan atau tersedia kepada Syarikat akan digunakan atau didedahkan oleh Syarikat atau kakitangan Syarikat untuk tujuan Mesyuarat Agung Tahunan Syarikat yang Kedua Puluh Enam dan juga untuk keperluan pendedahan yang dikerah oleh undang-undang atau mana-mana pihak berkuasa yang berkaitan dari semasa ke semasa termasuk tetapi tidak terhad kepada bursa saham, suruhanjaya syarikat dan suruhanjaya sekuriti (“Tujuan”). Syarikat akan menyimpan data peribadi selagi perlu untuk memenuhi Tujuan atau bagi pematuhan mana-mana undang-undang atau obligasi undang-undang.

Sekiranya anda ingin membuat sebarang pertanyaan mengenai Notis ini atau mana-mana data peribadi anda yang didedahkan kepada Syarikat, sila hubungi Syarikat di:

Alamat Surat-menyurat : **PUNCAK NIAGA HOLDINGS BERHAD**  
Tingkat 10, Wisma Rozali  
No. 4, Persiaran Sukan  
Seksyen 13, 40100 Shah Alam  
Selangor Darul Ehsan  
Untuk Perhatian: Puan Tan Bee Lian,  
Pengarah Eksekutif,  
Bahagian Perkhidmatan Korporat/  
Setiausaha Syarikat Kumpulan

No. Telefon : +603 5522 8589  
No. Faks : +603 5512 0220

Sila pastikan proksi anda bersetuju dengan pendedahan data peribadi mereka untuk Tujuan tersebut.





***PUNCAK NIAGA HOLDINGS BERHAD***  
[199701000591 (416087-U)]

**PUNCAK NIAGA HOLDINGS BERHAD [199701000591 (416087-U)]**

Wisma Rozali, No. 4, Persiaran Sukan, Seksyen 13, 40100 Shah Alam,  
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[www.puncakniaga.com.my](http://www.puncakniaga.com.my)